

May 5, 2020

The Honorable Mark Stone
Chair, Assembly Committee on Judiciary
1020 N Street, Room 104
Sacramento, CA 95814

RE: Assembly Bill 2936 (Wicks) Supervision of Trustees and Fundraisers for Charitable Purposes Act: Donor-Advised Funds - SPONSOR

Dear Chair Stone,

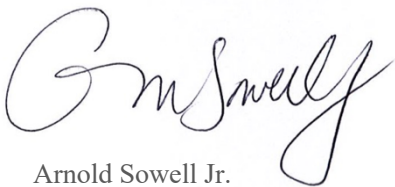
NextGen California is a co-sponsor of AB 2936 (Wicks), which will require the Attorney General to establish a classification for sponsoring organizations that maintain one or more donor-advised funds (DAFs). Given the diversity of DAFs, a classification system will ensure that the Attorney General is able to receive timely and insightful reports on the administration of these funds.

Donor advised funds are a rapidly growing method used by philanthropic donors to make charitable gifts. However, DAFs are under increasing scrutiny by news media and academic critics who argue that the manner in which some donors use DAFs can result in the diversion of funding for traditional charitable organizations and reduced public revenues that are not offset by the benefits DAFs produce.

Given the unprecedented levels of need throughout California as communities struggle with the consequences of the COVID-19 pandemic, additional information about the role donor advised funds play in the philanthropic response could help inform recovery efforts. The Attorney General, with primary responsibility for supervising charitable trusts in California, is ideally situated to gather this information.

NextGen supports policies that increase opportunity and prosperity for all Californians. AB 2396 will provide the Attorney General with the necessary tools to better understand how DAFs are being used and the impact of these entities on charitable giving more broadly. For the above reasons we respectfully request your “Aye” vote on AB 2936.

Sincerely,



Arnold Sowell Jr.
Executive Director, NextGen California