

Agenda No. 491

ORDINANCE NO.

*Amend Charitable Campaign Code to modernize the campaign, maximize community impact, and elevate leadership and giving (Ordinance; replace Code Chapter 5.10)

The City of Portland ordains:

Section 1. The Council finds:

1. On May 24, 1989, Council approved Ordinance No. 161964, which established City Code Chapter 5.10 creating a Citywide Charitable Campaign.
2. The Office of Management and Finance is the bureau charged with administering the Charitable Campaign with assistance from a Charitable Campaign Advisory Committee comprised of Council office staff.
3. For more than 30 years, Chapter 5.10 has remained relatively unchanged, having been amended only a handful of times.
4. As a result, Chapter 5.10 and the Citywide Charitable Campaign are now considerably out of alignment with current best practices.
5. A major concern is that Chapter 5.10 in its current form places complex and restrictive limits on eligibility for participating nonprofits, which results in the exclusion of important grassroots organizations and organizations that aid underserved communities.
6. This prioritization of eligibility requirements renders the campaign unable to make a focused investment in organizations aligned with the City's values and discourages employee participation by disqualifying many

Introduced by

Mayor Ted Wheeler

Bureau

Management and Finance
Chief Administrative Officer

Prepared by

Janet Storm

Date Prepared

May 28, 2021

Requested Council Date

June 23, 2021

Requested Agenda Type

Regular 15 minutes

Date Filed with Clerk

June 14, 2021

- well-loved nonprofits that do not meet the campaign's criteria.
7. Typically, less than 5% of City employees donate through the campaign – far below the industry average of 10% and benchmark goal of 20%.
 8. In addition, oversight and enforcement of eligibility requirements and the processing of donations/vendors is managed by the Office of the Chief Administrative Officer (CAO) and the Bureau of Human Resources and requires extensive staff time and support.
 9. City Council offices are involved in administrative and eligibility details, but don't have a meaningful and visible leadership role.
 10. Furthermore, the fast-paced nature of City Hall has made it challenging for Council staffers to participate consistently on the advisory committee over the years.
 11. In 2020, City Council paused the traditional Charitable Campaign to allow a pilot program to respond to COVID-19 and racial justice issues.
 12. As part of the Pilot, Council also charged the CAO's Office with creating a proposal to modernize the campaign and improve business processes, maximize community impact, elevate City Council leadership and increase participation among City employees.
 13. The pilot focused exclusively on a limited number of organizations partnering with the Portland Bureau of Emergency Management to provide front-line support for COVID-19 and the racial justice initiative.
 14. While the pilot successfully accomplished its intended purpose to provide front line relief and removed a cumbersome application process, it created a heavy administrative burden on the back end as many of the organizations were not already included in the campaign database and needed to be researched and registered with the City as vendors.
 15. Partnering with a workplace giving organization would have greatly relieved this burden as these organizations have access to resources not shared by the City.
 16. As a result of lessons learned from the pilot and an extensive analysis of the business model of the traditional campaign, the Chief Administrative Officer and the Office of Management and Finance recommend that City Code 5.10 be replaced to modernize the campaign, maximize community impact and elevate leadership and giving.
 17. Key improvements to the campaign include:
 1. Removing restrictive and complex eligibility requirements, eliminating the need for an advisory committee, and allowing employees to direct charitable donations to valid nonprofit organizations of their choice.

2. Partnering with a workplace giving partner to be designated by the Chief Administrative Officer to assist in managing the campaign, handle responsibility for allocating funds to the charitable organizations identified in employee pledges, and provide written acknowledgement for donors to meet the requirements of the Internal Revenue Code
3. Empowering the CAO or CAO's designee to formulate, approve and issue policies, administrative rules, and supplemental regulations related to the management and administration of the Charitable Campaign.
4. Inviting each City Council member to select two nonprofits to be featured and highlighted in the campaign. A maximum of 10 organizations will be featured during each campaign. Employees will not be limited to the 10 featured nonprofits.
5. Discontinuing the practice of billing nonprofits for administrative costs and absorbing the cost for the workplace giving organization in the CAO's budget.
6. Setting participation targets and requiring an annual report to City Council.

NOW, THEREFORE, the Council directs:

- a. City Code Chapter 5.10, City Charitable Campaign, is hereby replaced as shown in Exhibit A.

Section 2. The Council declares that an emergency exists in order that there be no delay in implementing the City's 2022 Charitable Campaign; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by Council:

MARY HULL CABALLERO
Auditor of the City of Portland

Action Taken:

By

Deputy

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

Chapter 5.10 City Charitable Campaign

5.10.010 Definitions.

A. 'Charitable Organization' means: An entity organized and operated exclusively for tax-exempt purposes under Section 501(c)(3) of the Internal Revenue Code and registered as a charitable organization with the Oregon Attorney General as required by ORS 128.610 to 128.995; or, an entity that is a State or City created nonprofit that receives donations which may be deducted from taxable income as "charitable contributions" under Section 170(a) and (c) of the Internal Revenue Code;

B. 'Workplace Giving' means: An annual, employer-sponsored program such as the City's charitable campaign that offers employees the opportunity to make a charitable contribution through payroll deduction and other payment methods.

C. 'Workplace Giving Partner Organization' means: A nonprofit charitable organization that specializes in supporting employers in their workplace giving campaigns by providing technology platforms for donating, promotional and back-end donation processing support and customer and employee support. Examples of such organizations include United Way, EarthShare and America's Charities.

5.10.020 Charitable Campaign.

The City of Portland shall conduct an annual Charitable Campaign to encourage and support voluntary charitable contributions by employees. The campaign provides a consolidated, annual opportunity for workplace giving through payroll deductions, benefiting a wide range of charitable organizations. The campaign minimizes workplace disruption and reduces the administrative costs to the City and charitable organizations in charitable solicitation efforts.

Allowing employees to direct charitable donations to organizations of their choice through the Charitable Campaign does not constitute a City endorsement of those organizations.

5.10.030 Administration of Charitable Campaign.

The Office of the Chief Administrative Officer (CAO) of the Office of Management and Finance has administrative responsibility for the Charitable Campaign. City administrative costs associated with each annual Charitable Campaign will be paid out of the Chief Administrative Officer's General Fund Allocation.

The CAO or CAO's designee is authorized to formulate, approve and issue policies, administrative rules, and supplemental regulations related to the management and administration of the Charitable Campaign.

Exhibit A

City employees are able to make donations via voluntary payroll deductions. Neither the City nor the employee is liable for the donations if the employment status of the employee changes or the employee wishes to discontinue the donation.

In accordance with City Procurement rules, the CAO will select a designated workplace giving partner organization that is responsible for allocating funds to the applicable charitable organizations identified in employee donations and providing written acknowledgement for donors to meet the requirements of the Internal Revenue Code.

Following each year's Charitable Campaign, the CAO or CAO's designee will provide a report to City Council summarizing employee participation, community impact and administrative costs.

5.10.040 Featured Nonprofits.

Annually, each City Council member will select two charitable organizations that comply with the City's nondiscrimination policy to be featured in the campaign. These featured organizations will be highlighted and promoted during the campaign. A maximum of 10 organizations will be featured during each campaign.

Employees will not be limited to the featured nonprofits. They can direct their donations to any valid charitable organization that is recognized by the City's workplace giving partner organization.

IMPACT STATEMENT

Legislation title: *Amend Charitable Campaign Code to modernize the campaign, maximize community impact, and elevate leadership and giving (Ordinance; replace Code Chapter 5.10)

Contact name: Janet Storm
Contact phone: 503-823-6952
Presenter name: Janet Storm

Purpose of proposed legislation and background information:

The City’s annual Charitable Campaign provides a means for City employees to contribute to multiple local, state, national and worldwide funds and federations. This ordinance amends City Code to modernize the City Charitable Campaign to maximize community impact and elevate leadership and giving.

Financial and budgetary impacts:

Administrative costs associated with the Charitable Campaign pilot are estimated to be approximately \$5,000 and will be budgeted in the OMF Chief Administrative Officer’s budget.

Community impacts and community involvement:

The City Charitable Campaign provides opportunity for employees to donate to multiple local, state, national and worldwide nonprofits and federations.

100% Renewable Goal:

The campaign will be primarily digital, except for bureaus with personnel who don’t have City email in which case, posters and paper pledge sheets will be provided.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount