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**Ohio Attorney General's Charitable Advisory Council
10 a.m., August 16, 2021
Meeting by Teams**

Minutes

Participants:

Charitable Advisory Council Members: David Ball, Erik Farley, Erynn Beaton, Claudia Y. W. Herrold, Monica Moloney, Jane Pfeifer, Mary Gallagher, Marcy Williams, Elaine Pierce, Tom Poulson and Catherine Scheller sitting in for Howie Beigelman. Ohio Attorney General Charitable Law Staff: Beth Short, Daniel Fausey, Abigail Jacobs, Thaddius Townsend, and Amy Hardbarger.

The meeting was called to order and participants introduced themselves.

Minutes -- On motion of Ms. Herrold, seconded by Mr. Farley, minutes of the previous meeting were approved.

COVID Updates -- (Discussion about observations related to COVID and the charitable sector. Wave III of the survey has been completed and Prof. Beaton will review the findings.)

(Aug 2019-Aug2020 New York – Gov Kumo – Extended it another year to Aug 2021. Dozens if not hundreds of cases filed through New York – Filed against boy scouts for sexual abuse. David Ball has had 10+ filed against his office dating back to 1969-1987. (statute of Limitations changes).) – David Ball gave this COVID update.

Tom Poulson gave an update They now have 3 campuses – They lost 24 residents due to COVID (5% of their census) And they didn't get back to capacity for nearly a year and are at a loss for operations. They were able to get money from the CARES act and BWC. This year they are getting donations/investments that are helping them rebuild census. They need another 30-40 residents to get back to normal operations. He has learned that other facilities like his are struggling in the same way (Long term care facilities) with skilled nursing facilities being hit the hardest.

Mary Gallagher – COVID numbers going back up in all categories of all ages. Their concern with staffing is still a concern, with most hospitals mandating vaccines for COVID. There has

been pushback from the employees who refuse to get the vaccine. They did encourage people to mandate the vaccination and some did, however, now they're having to pull back or give people additional time because of that and staffage shortages. Hospitals are in turn having to deal with shortages due to pushback and sickness.

Jane Pfeifer gave update on assisting clients with PPP loans, then forgiveness and now the employee tax credit, however, now assistance is now tapering off. Medical clients did well due to BWC and state assistance to medical providers.

Professor Beaton did the third wave of the survey in late April and things were looking optimistic at the time, however not back to normal. Now things are looking less optimistic so she is open to doing another wave, but wants to know what findings we are looking for now. Less COVID related, more of equity inclusion and diversion to see how COVID has impacted them. Opened the floor to see if anyone would be interested in giving ideas for her research.

Beth said she would like to do an additional wave, indicating she believes a lot of charities have not done the long term things to keep their organization in survival.

Claudia – Highlighted COVID19 funding is now gone, how are the nonprofits going to fund raise?

Erik Farley – Virtual Fundraising – They filmed a virtual fundraiser for their impact in the community – Technology helps share the narrative for their organization to get funding. (DAI)? There is going to be a panel to review the denouncement of racism (Becoming anti racial).

Beth advised we are waiting for the next release/report; however, she advised the organizations can go ahead and share them on their own.

Claudia – Highlights Delta Variant, she sent a survey to their members – People are vaccinated and back to the office – Or fully remote or in hybrid, depending on location. Currently working with Ohio Dept of Health to see where they fit into the CDC loan they received.

OANO Marcy Williams gave an update that their smaller offices are back into the office and the larger ones are still remote. Some organizations trying to get out of their lease or look into shared spaces due to being able to work remotely.

Legislative Updates

Budget Bill -- E-bingo, tax credit, charitable protection language, etc. (Dan gave an update on the budget bill and its effects in Charitable Law. Electronic / Instant Bingo – Veteran's and Fraternal rely on revenue from charitable gaming and therefore we supported this change. Our section is determining how to write rules around this, which is currently above our level of

expertise. We need to have this completed by January, with JCARR having received it in September.

The general assembly decided to enable tax credits up to \$750 for primarily scholarship granting organizations. This passed in June and becomes effective in 90 days (September 2021). There won't be any final rules published by then, but we are working on simple draft rules by using liberal interpretation.

Mary Gallagher requested to learn what the tax credit would be for the 501(c)(3). The donor determines where his/her money goes.

Dan advised we are working with IT to get some simple drop-down boxes to determine if they are a primarily scholarship granting organization who prioritize low income students. We are not prepared yet on how we intend to word it, however Claudia wanted to learn how we plan to define that so Claudia can update her team. How many applications will we get? Dan speculates 100's vs thousands and we are not being funded for this work. Dan opened the communication for any input or questions on the rule structure. And David questioned K-12 and Claudia's interest in this and she advised if it was only K-12, she would have less interest.

There is a status being reviewed that indicates the AG's office cannot request filings that are not required by law – Statute is aimed at annual reports. We will deal with that issue when it becomes a real issue. This only applies to 1716.

Update from the Charitable Law Section -- (Section Chief Dan Fausey will provide an update on issues and projects within the Section.) Dan updated on our projects that were aimed to be assistance to the non-profit charity. We haven't completed anything yet, however we are working on it. Also, we are working to see if we need to be in the office or work from home, but it is touch and go. We are trying to keep thing as productive as when we are in the office.

Beth updated that our all staff meeting is now virtual vs in person as initially intended this week. She also highlighted that our projects involve IT and Ricardo is asking if anyone would be interested in looking into best practices/policies for rules -Both Claudia and Dave offered their assistance to Ricardo.

Other Items and Updates – Beth welcomed Thad to discuss a case they felt the council may be interested in hearing about. This is a case that was investigated entirely during COVID. Dogs 4 Warriors. Dogs were placed with military veterans to help with PTSD. The charity was based in Ohio, however, there were veterans all over the US coming. Therefore, they asked for donations to build a cabin for people to stay during the two-week training period they had with their dog. Initially they fell out of compliance with our office, they lost their 501(c)(3) and then we received 15 complaints. We investigated and at the end of the day we felt they needed to shut down and they had to pay a civil penalty of 15k and 35k in restitution that will go to other

organizations. The cabin was built on personal property and the AG's office believes the restitution covers that, so the cabin remains on their property.

Beth highlighted that we do send a letter to inquire on their 501(c)(3) status when they become non-compliant to see what they intend to do and it is often cast to the side.

Beth opened the floor for future issues, observations, etc.

Claudia spoke about the tax credit House Bill 249. There has been no effect on nonprofits because of this bill, however, they are interested in reviewing and understanding the verbiage. And council members offered, (Howie and Jane).

NASCO is having its second annual virtual national conference where Eryn is going to be on a panel to discuss Ohio's survey responses. Beth will send out information for the public day.

David and Beth made a note of the next meeting date and opened the floor for topics of discussion.

Claudia suggested discussing OPIOD settlements – money coming into the state and how those intend to be used. Beth gave a brief backstory on this subject.

Dan requested another update on house bill 249 in November.

Adjournment. Meeting was adjourned.

Next Meeting: November 15, 2021.

Respectfully Submitted,

Amy Hardbarger