

AMENDED IN SENATE MARCH 3, 2008
AMENDED IN SENATE FEBRUARY 12, 2008
AMENDED IN ASSEMBLY JANUARY 23, 2008
CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 624

**Introduced by Assembly Member Coto
(Coauthors: Assembly Members Dymally and Lieu)**

February 21, 2007

An act to add Section 5081 to the Corporations Code, and to add Section 16065 to the Probate Code, relating to private foundations.

LEGISLATIVE COUNSEL'S DIGEST

AB 624, as amended, Coto. Foundations: diversity.

Existing law regulates the administration of nonprofit corporations and trusts that are deemed to be private foundations, as defined under federal tax law, and requires these private foundations to distribute their income for each taxable year so as not to subject the private foundation or its property to specified federal tax requirements. Existing law requires these entities to prepare specified annual reports.

This bill would require a private, corporate, or public operating foundation with assets over \$250,000,000 to collect specified ~~ethnic, gender, and sexual orientation~~ data pertaining to its governance and domestic grantmaking. The bill would require this information to include the racial and gender composition of the board of directors and staff of the foundation; *if applicable*, the number of grants and ~~percentage of~~ grant dollars awarded to organizations *specifically* serving ethnic minority communities ~~and~~, lesbian, gay, bisexual, and transgender communities, *and other underrepresented communities*; the number of

grants and ~~percentage~~ of grant dollars awarded to organizations where 50% or more of the board members or staff are ethnic minorities ~~or are~~ lesbian, gay, bisexual, or transgender,; and the number of grants and ~~percentage~~ of grant dollars awarded to predominantly low-income communities. The bill would require a foundation to disclose this information via its Internet Web site, if available, and to include this information in its annual report, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5081 is added to the Corporations Code,
 2 to read:
 3 5081. (a) Notwithstanding any other provision of law, a
 4 corporation, during any period or periods that it is deemed to be
 5 a private, corporate, or public operating foundation, shall collect
 6 the following information:
 7 (1) The racial composition of its board of directors, including
 8 the *number and* percentage of board members that are
 9 African-American, Asian-American, Pacific Islander, Caucasian,
 10 Latino, Native American, and Alaskan Native.
 11 (2) The gender composition of its board of directors, ~~including,~~
 12 ~~the~~ *including the number and* percentage of board members who
 13 are male and female.
 14 (3) The racial composition of the foundation’s staff, including
 15 ~~the percentage of~~ *number and percentage of full-time equivalent*
 16 staff members that are African-American, Asian-American, Pacific
 17 Islander, Caucasian, Latino, Native American, and Alaskan Native.
 18 (4) The gender composition of the foundation’s staff, including
 19 the *number and* percentage of staff who are male and female.
 20 (5) The *number and* percentage of business contracts awarded
 21 to businesses owned by African-Americans, Asian-Americans,
 22 Pacific Islanders, Caucasians, Latinos, Native Americans, ~~Alaskan~~
 23 ~~Natives, and lesbian, gay, bisexual, or transgender people.~~ *and*
 24 *Alaskan Natives.*
 25 (6) ~~The~~ *If applicable, the* number of grants *and grant dollars*
 26 awarded to organizations *specifically* serving African-American,
 27 Asian-American, Pacific Islander, Caucasian, Latino, Native
 28 American, and Alaskan Native communities, ~~and~~ lesbian, gay,

1 bisexual, and transgender communities *and other underrepresented*
2 *communities.*

3 ~~(7) The percentage of grant dollars awarded to organizations~~
4 ~~servicing African-American, Asian-American, Pacific Islander,~~
5 ~~Caucasian, Latino, Native American, and Alaskan Native~~
6 ~~communities, and lesbian, gay, bisexual, and transgender~~
7 ~~communities.~~

8 ~~(8)~~

9 (7) The number of grants *and grant dollars* awarded to
10 organizations where 50 percent or more of the board members are
11 ethnic minorities ~~or are lesbian, gay, bisexual, or transgender~~
12 ~~people.~~

13 ~~(9) The percentage of grant dollars awarded to organizations~~
14 ~~where 50 percent or more of the board members are ethnic~~
15 ~~minorities or are lesbian, gay, bisexual, or transgender people.~~

16 ~~(10)~~

17 (8) The number of grants *and grant dollars* awarded to
18 organizations where 50 percent or more of the *full-time equivalent*
19 staff are ethnic minorities ~~or are lesbian, gay, bisexual, or~~
20 ~~transgender people.~~

21 ~~(11) The percentage of grant dollars awarded to organizations~~
22 ~~where 50 percent or more of the staff are ethnic minorities or are~~
23 ~~lesbian, gay, bisexual, or transgender people.~~

24 ~~(12)~~

25 (9) The number of grants *and grant dollars* awarded to
26 predominantly low-income communities.

27 ~~(13) The percentage of grant dollars awarded to predominantly~~
28 ~~low-income communities.~~

29 (b) The information collected pursuant to subdivision (a) shall
30 be posted on the foundation's Internet Web site, if available, and
31 included in its annual report in a section labeled "DIVERSITY."

32 (c) This section shall only apply to foundations with assets over
33 two hundred fifty million dollars (\$250,000,000) and shall apply
34 only to a foundation's domestic grants.

35 (d) For purposes of this section, "organization" means an
36 organization described in Section 501(c)(3) of the Internal Revenue
37 Code.

38 SEC. 2. Section 16065 is added to the Probate Code, to read:

39 16065. (a) Notwithstanding any other provision of law, a trust,
40 during any period or periods that it is deemed to be a private,

1 corporate, or public operating foundation, shall collect the
2 following information:

3 (1) The racial composition of its board of trustees or directors,
4 including the *number and* percentage of board members that are
5 African-American, Asian-American, Pacific Islander, Caucasian,
6 Latino, Native American, and Alaskan Native.

7 (2) The gender composition of its board of trustees or directors,
8 including, the *number and* percentage who are male and female.

9 (3) The racial composition of the charitable trust or foundation’s
10 staff, including the ~~percentage of~~ *number and percentage of*
11 *full-time equivalent* staff members that are African-American,
12 Asian-American, Pacific Islander, Caucasian, Latino, Native
13 American, and Alaskan Native.

14 (4) The gender composition of the charitable trust or
15 foundation’s staff, including the *number and* percentage who are
16 male and female.

17 (5) The *number and* percentage of business contracts awarded
18 to businesses owned by African-Americans, Asian-Americans,
19 Pacific Islanders, Caucasians, Latinos, Native Americans, ~~Alaskan~~
20 ~~Natives, and lesbian, gay, bisexual, or transgender people.~~ *and*
21 *Alaskan Natives.*

22 (6) ~~The~~ *If applicable, the* number of grants *and grant dollars*
23 awarded to organizations *specifically* serving African-American,
24 Asian-American, Pacific Islander, Caucasian, Latino, Native
25 American, and Alaskan Native communities, ~~and~~ lesbian, gay,
26 bisexual, and transgender communities *and other underserved*
27 *communities.*

28 (7) ~~The~~ percentage of grant dollars awarded to organizations
29 serving African-American, Asian-American, Pacific Islander,
30 Caucasian, Latino, Native American, and Alaskan Native
31 communities, ~~and~~ lesbian, gay, bisexual, and transgender
32 communities.

33 (8)
34 (7) The number of grants *and grant dollars* awarded to
35 organizations where 50 percent or more of the board members are
36 ethnic minorities ~~or are~~ lesbian, gay, bisexual, or transgender
37 people.

38 (9) ~~The~~ percentage of grant dollars awarded to organizations
39 where 50 percent or more of the board members are ethnic
40 minorities ~~or are~~ lesbian, gay, bisexual, or transgender people.

1 ~~(10)~~

2 (8) The number of grants *and grant dollars* awarded to
3 organizations where 50 percent or more of the *full-time equivalent*
4 staff are ethnic minorities ~~or are lesbian, gay, bisexual, or~~
5 ~~transgender people.~~

6 ~~(11) The percentage of grant dollars awarded to organizations~~
7 ~~where 50 percent or more of the staff are ethnic minorities or are~~
8 ~~lesbian, gay, bisexual, or transgender people.~~

9 ~~(12)~~

10 (9) The number of grants *and grant dollars* awarded to
11 predominantly low-income communities.

12 ~~(13) The percentage of grant dollars awarded to predominantly~~
13 ~~low-income communities.~~

14 (b) The information collected pursuant to subdivision (a) shall
15 be posted on the foundation's Internet Web site, if available, and
16 included in its annual report in a section labeled "DIVERSITY."

17 (c) This section shall only apply to foundations with assets over
18 two hundred fifty million dollars (\$250,000,000) and shall apply
19 only to a foundation's domestic grants.

20 (d) For purposes of this section, "organization" means an
21 organization described in Section 501(c)(3) of the Internal Revenue
22 Code.

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