



Florida Minority Community Reinvestment Coalition

1308 E. Giddens Ave Tampa FL 33603

February 27, 2014

State of Florida
Honorable Rick Scott
Governor
The Capital
Tallahassee, Florida 32399-0001

Charlie Crist for Governor
Governor (former) Charlie Crist
Candidate for Governor
P.O Box 1067
St. Petersburg, Florida 33731

RE: Governor Charlie Crist Signs Anti-Diversity Bill SB 998 in May 2010 that allows all Florida Foundations to Disregard Diversity. FMCRC Requests Both Governor Scott and Candidate for Governor Charlie Crist to Vow to Rescind SB 998 and Require Foundations Be Held Accountable with Diversity (sent via email and certified mail)

SB 998 Highlights:

In late May 2010, Governor Charlie Crist signed Senate Bill 998. **This law encourages racial, sexual orientation and gender discrimination** by explicitly **prohibiting** Florida foundations from disclosing diversity data of their employees, board members, and grant recipients.

Dear Governor Scott and Governor Crist:

Yesterday, Governor Brewer of Arizona did the right thing and vetoed SB 1062 that was a direct attack on diversity. In 2010 Governor Charlie Crist signed SB 998 that allowed foundations to disregard diversity. The attached June 14, 2010 letter from the office of Governor Crist stated they would look into it but Governor Crist decided to look the other way. In light of the leadership of Governor Brewer, we at FMCRC are asking for a public commitment to rescind SB 998 and make foundations in Florida accountable to diversity.

The SB 998 law was backed by the Alliance for Charitable Reform, a conservative project of the Philanthropy Roundtable. According to Adam Meyerson, the president of The Philanthropy Roundtable, "If you are thinking of donating money to create a charitable foundation, you may want to consider establishing your philanthropic corporation or trust in the state of Florida." He might as well have said, "**Florida is a great place to set up shop if you want to redline the poor, women, LBGT or people of color.**"

In recent years, study after study has pointed to a consistent diversity problem at foundations. A foundation study of Florida foundations prior to SB 998 showed that less than 3% of Foundation board members were diverse and less than 1% of all foundation giving went to minority led nonprofits. The Applied Research Center drew attention to this problem in 2004 with "Short Changed," a groundbreaking report on the lack of diversity in foundation grant making. In 2007, the Center for Effective Philanthropy convened a discussion titled "Race in the Boardroom," and in 2008 the Rockefeller Philanthropy Advisors released a study of over 800 foundations ("Philanthropy in a Changing Society") finding that a mere six percent of CEOs, 13 percent of board members, and 23 percent of staff were people of color. Every one of these studies required original research, since much of the philanthropic sector has continuously fought any demand to track or share diversity data.

SB 998 has contributed to significant increase of income inequality in Florida.

The circumvention of civil rights law and diversity data collection by any industry is of national concern. No industry should be above the need for basic sunshine on issues related to civil rights. This is a very slippery slope and Arizona's SB 1062 was a window into what Florida's SB 998 is. But this is also of concern in the field of philanthropy **because of its privileged position in the tax code**. According to the Urban Institute, **charitable foundations receive \$40 billion** in taxpayer subsidies annually -- public money that American taxpayers forego in return for charitable activity in the public interest.

Instead of acknowledging the needs and becoming representative of a multiethnic nation, Florida foundations appear to be running in the opposite direction from the transparency and openness the public demands. And the Florida legislature and then Governor Crist endorsed this position by allowing SB 998 to become law in Florida.

Since the passage of the Civil Rights Act, Community Reinvestment Act, Home Mortgage Disclosure Act, and other civil rights legislation, **diversity data collection and reporting has become much more commonplace among financial institutions, telecommunications companies, energy utilities, and others**. None of these industries is tax exempt. The data tracked and published by each industry has led to greater effectiveness. Whether intended or not with SB 998, the outright prohibition of such diversity data collection in Florida could roll back the civil rights and community reinvestment gains that can arise from transparency and lead to actions that we have seen in Arizona. There is a legitimate concern that this attack on diversity data collection could spread to sectors other than philanthropy

The wealth gap for between white and minorities has doubled the past 8 years. The poverty rate for minority women is twice that of whites. The economic distress of minority communities is one of the most pressing issues facing Florida and other states such as California. The lack of businesses and jobs fuels not only a crushing cycle of increasing poverty but also crippling social problems, increasing high school drop-out rates, drug abuse and crime in our minority communities. The establishment of a sustainable economic base together with increased access to affordable housing, employment opportunities, wealth creation, role models, and improved local infrastructure is critical to the future well-being of minority communities in the State of Florida and throughout the United States. Recent studies show that minority women have twice the rate of poverty as whites, whites have 20 times the amount of wealth than minorities and minorities have marginal access to non subprime capital for both housing and small businesses.

The wealth gap for minorities with whites has almost doubled over the past 8 years. In Florida and across the United States, poverty and loss of hope and faith is on the rise among the minority families. This will have a serious impact upon the economic future of the United States when you consider that minorities will represent over 50% of all urban cities in 20 years. This crippling tide that is engulfing our families is a result of the lack of diversity with housing, access to capital, access to financial opportunities, access to educational resources and overall lack of compassion from those who have a much better life. SB 998 has contributed to the widening of the racial wealth gap in Florida.

It is time for the state of Florida to embrace diversity fully. This starts at the Governor's office. FMCRC is requesting that each of you make a public commitment to diversity (to include race, religion, sexual orientation and gender) and that you will make an effort to rescind SB 998.

We thank you for consideration on this issue.

Cordially,

"There are those who say thus is the way of the world....I say NO thus we make it"

"It is easy to sing when one sits upon a perch of privilege as compared to those who are drowning in a sea of neglect"

Albert Pina

Chair/CEO: Florida Minority Community Reinvestment Coalition

Co-Chair: The 100

President: Assets & Hope

Chair: Urban Redevelopment Solutions (A FMCRC Company)

Chair: Florida Hispanic Construction Association

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Attachments:

Governor Crist Letter on SB 998 (June 2010)



CHARLIE CRIST
GOVERNOR

STATE OF FLORIDA

Office of the Governor

Citizen Services

THE CAPITOL

TALLAHASSEE, FLORIDA 32399-0001

www.flgov.com

850-488-4441

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June 14, 2010

Mr. Al Pina, Chair
Florida Minority Community Reinvestment Coalition
6105 N.W. 7th Avenue
Miami, Fl. 33127

Dear Al,

I appreciate the opportunity to present Governor Crist's position in signing Senate Bill 998, an Act Relating to Trust Administration.

Senate Bill 998 was first introduced in December 2009 and was amended three times, including the amendment creating the subject of your concern. This amendment was proposed during the first week of the 2010 legislative session on March 8, 2010.

The Senate Banking and Insurance Committee discussed the bill at its meeting on March 10. Neither the public nor any members of the Committee voiced opposition to any provision of this bill. The Florida Bar supported the bill while the Florida Bankers Association was neutral.

The Florida Senate approved the bill 36-0 on April 8, 2010. The House of Representatives also debated House Bill 361, similar to the original Senate Bill. In the end, the House accepted the Senate Bill and passed the measure on April 28, 2010 by a vote of 119-0.

When analyzing legislation approved by the Florida Legislature, the Governor considers many factors. Does it raise or lower taxes? Does it impose additional bureaucracy? What are the positions of the proponents and opponents of such legislation? What is the effect on business or individuals?

Between the time Senate bill 998 passed the Senate on April 8 and May 27, the date the Governor decided to sign the bill, he received no correspondence outlining any opposition.

Specifically, what does Senate Bill 998 do? There are several provisions.

- Deletes certain duplicative and unnecessary provisions of Florida law;
- Clarifies law relating to spouses contributing to an irrevocable trust;
- Creates a new section that protects heirs of those who pass away in 2010. This fix became necessary when the U.S. Congress failed to act.
- Limits the entitlement to expense payment of an estate's personal representative to reasonable expenses.

Mr. Al Pina
Page 2

Finally, we have the provision that creates 736.1211, Florida Statutes. This provision states that charitable organizations and trusts are not required to disclose the race, religion, gender, national origin, socio-economic status, age, ethnicity, disability, marital status, sexual orientation, or political party registration of employees, officers, directors, trustees, members, or owners. It also forbids the allocation of funds based on those factors.

The impact of such a provision can be debated. The intent is not to depress charitable contributions, but just the opposite. These are private institutions funded by private donations performing good works in their community. They cannot be compared to government institutions or banks that engage in regulated commerce. The goal is to encourage more organizations to locate in the state. When that happens, more dollars go into our communities and to our neediest citizens.

Governor Crist signed this bill because of the worthy provisions listed above as well as agreeing with the goal to attract more grant makers to Florida. Had any of Florida's legislators voted against this bill, or came to him with genuine opposition, he would have taken that fully into account.

While there can be genuine disagreements with policy, I must protest two comments offered by you on this issue. The statements "Florida minority legislators and Governor Crist abandon Florida minority communities..." and "(t)he State of Florida has now made it legal to discriminate based on race..." are unfortunate, with the former serving as the subject line of a blast e-mail.

My request would have been to hear the Governor's side before making those comments. I am certain the minority legislators would be happy to re-state their commitment to their local communities.

With all due respect, we are all in this together and need to focus on the good of all. Governor Crist has a strong record of commitment to Florida's minorities.

In closing, on behalf of Governor Crist, I offer best wishes for continued success to the Florida Minority Community Reinvestment Coalition. Thank you for your extensive work on behalf of the less fortunate.

Sincerely,



Robert J. Sparks
Executive Deputy Chief of Staff