



Public Policy & Advocacy
816 Connecticut Avenue NW, Third Floor
Washington, DC 20006-2701
T 202 659 3780 F 202 331 8065

Girl Scouts of the USA
Anna Maria Chávez, Chief Executive Officer
Statement for the U.S. House of Representatives Ways and Means Committee
Pension/Retirement Tax Reform Working Group
Charitable/Exempt Organizations Working Group

On behalf of Girl Scouts of the USA (“GSUSA”) and our 3.2 million members, 59 million alumnae, and 112 local, non-profit councils, we appreciate the opportunity to provide comments to the Pension/Retirement Tax Reform Working Group and the Charitable/Exempt Organizations Working Group of the House Ways and Means Committee.

We are deeply troubled to report that one of the largest obstacles to advancing our mission is a pension funding issue, stemming from regulations that subject our organization to funding requirements far more burdensome than those applicable to corporate America. This threatens our councils’ ability to continue funding vital programs, offer opportunities to at-risk girls, and retain the staff and develop volunteers who make our organization so effective. *We request that Congress apply the same pension funding rules to us that apply to taxable, for-profit companies.*

This unfortunate situation is not anyone’s fault. In fact, the 2010 amendment applying the pre-PPA rules to us and certain other charities was enacted to help us. But because of changed circumstances—specifically, the need to freeze our plan later that same year and invest our plan assets more conservatively—a provision designed to help us is now threatening our ability to fully advance our mission.

Our mission. The mission of Girl Scouts is to develop girls of courage, confidence, and character, who make the world a better place. For over 100 years, Girls Scouts has offered experiential learning in a nurturing environment. The largest organization for girls in the world, Girl Scouts is the preeminent leadership development organization and the leading authority on girls’ healthy development. We serve girls ages 5 to 17 in every corner of the United States and its territories, with value placed on diversity and inclusiveness, and deliver our leadership experience to nearly 17,000 American girls living outside the United States in 91 countries.

Our programs are critical to getting girls ready for college, work, and life. The outcomes from this support are substantial. From recent Girl Scout Research Institute reports, we know that compared with non-alumnae, Girl Scout alumnae feel better about themselves, are more active as mentors and community volunteers, vote more regularly, are better educated, and enjoy higher household incomes. This is particularly true for women who were Girl Scouts in their youth for three or more years. Also, leadership experiences such as those offered through Girl Scouting contribute to higher academic engagement and achievement. The study of nearly 3,000 geographically-diverse fourth through eighth grade Girl Scouts found that Girl Scouting influences academic success as much as or more than positive relationships with teachers and

weekly participation in out-of-school-time activities (non-Girl Scout factors that are known to boost success in school).¹

Girl Scout alumnae routinely share with us how their Girl Scout experiences have contributed to their success in life; they also talk about the difference Girl Scouting makes in their communities. We see this community impact in the Take Action projects done by recipients of our Gold Award, the highest achievement in Girl Scouting. Similar to the Eagle Scout, the Girl Scout Gold Award enables recipients to enter the armed forces one grade higher in rank than other enlistees, having already proven themselves as leaders. Indeed, Gold Award recipients, though still in high school, have already changed the world. The 2013 Girl Scout Gold Award recipients implemented diverse projects that saw them building libraries for migrant children, traveling to Tanzania to build water retention systems, and increasing high school girls' knowledge about and interest in STEM careers, to cite just a few examples.

Our pension plan funding challenge. This great work could be in jeopardy. Owing to the continuing economic crisis, Girl Scout councils, which used to offer a multiple employer-defined pension plan for more than 13,000 participants, had to freeze the defined benefit plan in 2010. Moreover, even after freezing the plan, we currently project that for the 2014–2016 plan years, we'll be required to contribute approximately \$145 million to fund the pension deficit. Girl Scout councils are considering options like layoffs and program cuts, which could have far-reaching and unfortunate consequences, chief among them that Girl Scouts will be forced to serve fewer girls.

Furthermore, these pension funding challenges are attributable in large part to the fact that, as noted, the National Girl Scout Council Retirement Plan (NGSCR) is subject to rules far more demanding than those applicable to corporate America. Until 2017, the NGSCR pension plan will be subject to the funding rules in effect prior to the enactment of the Pension Protection Act of 2006 (PPA). As a result, over the next three years, Girl Scout councils will have to contribute \$36 million more than a corporate plan sponsor would in the same situation; as a plan, we face a dramatic 33% increase next year alone. We ask that this be changed.

Our request of this working group and of Congress is straightforward: we ask that, as of 2014, we, and all similarly structured charities, be permitted to elect in to the PPA funding rules that are applicable to corporate America. Specifically, we should be permitted to elect in to the corporate rules in a way that places us in the same situation prospectively as if the corporate rules had always applied to us.

We at Girl Scouts thank you for the critical work you are doing. If you have any questions or need further information, please contact me or my staff at:

Sally Schaefer
Director of Public Policy
Girl Scouts of the USA

[REDACTED]
[REDACTED]

¹ *Linking Leadership to Academic Success: The Girl Scout Difference*, by Kallen Tsikalas and Sabrica Barnett (Girl Scout Research Institute, 2012).

[REDACTED]
[REDACTED]
[REDACTED]

*Founded in 1912, **Girl Scouts of the USA (GSUSA)** is the preeminent leadership development organization for girls, with 3.2 million girl and adult members worldwide. Girl Scouts is the leading authority on girls' healthy development, and builds girls of courage, confidence, and character, who make the world a better place. The organization serves girls from every corner of the United States and its territories. Girl Scouts of the USA also serves American girls and their classmates attending American or international schools overseas in more than 90 countries. For more information on how to join, volunteer or reconnect with, or donate to Girl Scouts, call 800-GSUSA-4-U or visit www.girlscouts.org.*

GSUSA's Public Policy and Advocacy Office, located in Washington, D.C., works in partnership with local Girl Scout councils to educate representatives of the legislative and executive branches of government and to advocate for public policy issues important to girls and Girl Scouting. For more information, contact us at 202-478-9791 or Sschaefter@girlscouts.org.