

HOUSE No. 3592

The Commonwealth of Massachusetts

PRESENTED BY:

Peter J. Durant

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act limiting executive salaries of state funded nonprofit organizations and public charities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Peter J. Durant</i>	<i>6th Worcester</i>
<i>Kate D. Campanale</i>	<i>17th Worcester</i>
<i>David F. DeCoste</i>	<i>5th Plymouth</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>
<i>Joseph D. McKenna</i>	<i>18th Worcester</i>

HOUSE No. 3592

By Mr. Durant of Spencer, a petition (accompanied by bill, House, No. 3592) of Peter J. Durant and others for legislation to limit executive salaries of state-funded nonprofit organizations and public charities. Labor and Workforce Development.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1714 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act limiting executive salaries of state funded nonprofit organizations and public charities.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 180 of the General Laws is hereby amended by adding the
2 following section:

3 Section 30. (a) A nonprofit corporation incorporated under the laws of the
4 commonwealth and subject to this chapter or a public charity holding funds subject to the
5 provisions of section 8 of chapter 12 that receives any public funds from the commonwealth
6 equal to or greater than 30 per cent of such nonprofit or public charity’s yearly budget shall be
7 subject to the provisions of this section; provided, however that a non-profit hospital corporation
8 organized under chapter 176A shall not be subject to this section.

9 (b) The annual compensation of the executive staff of a nonprofit corporation or public
10 charity governed by this section shall be limited based on the annual budget size of the
11 organization and executive positions as follows:

12 (1) Position Budget Size (dollars) Salary

13 Executive Director/CEO < \$249,999 \$49,719

14 250,000 – 999,999 74,859

15 1,000,000 - 2,499,999 95,016

16 2,500,000 – 9,999,999 130,679

17 10,000,000 – 24,999,999 138,733

18 25,000,000 < 213,165

19 Associate Director / COO < \$999,999 \$51,530

20 1,000,000 - 2,499,999 74,841

21 2,500,000 – 9,999,999 92,726

22 10,000,000 – 24,999,999 111,548

23 25,000,000 < 138,987

24 Programming Director < \$999,999 \$59,574

25 1,000,000 – 2,499,999 71,082

26 2,500,000 –9,999,999 89,483

27 10,000,000 – 24,999,999 90,655

28 25,000,000 < 112,700

29 Administrative Director < \$2,499,999 \$69,324

30 2,500,000 – 24,999,999 78,934

31 25,000,000 < 88,113

32 For the purposes of this section, compensation shall include salary, bonus and incentive
33 pay, deferred compensation and nontaxable level benefits.

34 (c) Annual compensation increases, beginning in FY'14, for any such employee under
35 this5 section shall be limited to the per cent change in inflation as measured by the annual per
36 cent change in the consumer price index for all urban consumers for the Boston metropolitan
37 area as determined by the Bureau of Labor Statistics of the United States Department of Labor.

38 SECTION 2. Notwithstanding any general or special law to the contrary, a nonprofit
39 corporation incorporated under the laws of the commonwealth and subject to chapter 180 of the
40 General Laws or a public charity holding funds subject to the provisions of section 8 of chapter
41 12 of the General Laws receiving any public funds from the commonwealth which are equal to
42 or greater than 30 per cent of such nonprofit or public charity's yearly budget shall file with the
43 state secretary the amount of the annual compensation of its employees listed in sections 30 (b)
44 for each calendar year on or before March 31, of the following year. For the purposes of this
45 section, compensation shall include salary, bonus and incentive pay, deferred compensation and
46 nontaxable level benefits.

47 SECTION 3. A nonprofit corporation incorporated under the laws of the commonwealth
48 and subject to this chapter or a public charity holding funds subject to the provisions of section 8
49 of chapter 12 found in violation of Section 30 (b) of this chapter shall lose its status as a non-
50 profit as it is organized and operates under the general laws.

51 SECTION 4. Subsection (b) of section 30 of chapter 180 of the General Laws shall take
52 effect January 1, 2013.