

HOUSE No. 2025

The Commonwealth of Massachusetts

PRESENTED BY:

James J. Lyons, Jr. and Marc T. Lombardo

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 to reform non-profits doing business with the Department of Public Health.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|----------------------------|-----------------------|------------------|
| <i>James J. Lyons, Jr.</i> | <i>18th Essex</i> | <i>1/18/2013</i> |
| <i>Marc T. Lombardo</i> | <i>22nd Middlesex</i> | <i>1/21/2013</i> |
| <i>Paul A. Schmid, III</i> | <i>8th Bristol</i> | <i>1/31/2013</i> |
| <i>Keiko M. Orrall</i> | <i>12th Bristol</i> | |

HOUSE No. 2025

By Messrs. Lyons of Andover and Lombardo of Billerica, a petition (accompanied by bill, House, No. 2025) of James J. Lyons, Jr., Marc T. Lombardo and others for an investigation by a special commission relative to the compensation paid to officers, employees and independent contractors by non-profit corporations that receive grants from or have contracts with the Department of Public Health. Public Health.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act to reform non-profits doing business with the Department of Public Health.

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 17 of the General Laws is hereby amended by inserting, after
2 section 19, the following section:-

3 Section 20. (a)Notwithstanding any general or special law to the contrary, there shall be
4 an independent commission to study and report on compensation paid to officers, directors,
5 trustees, key employees, executives, highest paid employees, and independent contractors by
6 non-profit corporations that receive grants from or have contracts with, the Department of Public
7 Health. The commission shall consist of : the inspector general, or a designee; the attorney
8 general, or a designee; the state auditor, or a designee; 2 members of the house of
9 representatives, 1 of whom shall be appointed by the minority leader, and shall act as chair; and
10 2 members of the senate, 1 of whom shall be appointed by the minority leader. The commission
11 shall research, assess and develop recommendations regarding limiting compensation to officers,
12 directors, trustees, key employees, executives, highest paid employees, and independent
13 contractors at non-profits that receive grants from or have contracts with the Department of
14 Public Health based on comparisons with prevailing standards for similar grants and contracts to
15 determine whether or not such compensation is excessive in terms of the benefits bestowed upon
16 the citizens of the Commonwealth. The commission shall specifically report on whether
17 excessive compensation is awarded to executives at non-profits, as compared to managers and
18 administrators employed in state government and to make recommendations to minimize or
19 eliminate from eligibility for contractor status with the Commonwealth those non-profits with
20 excessive payrolls or accumulated assets.

21 (b) Said report shall be filed with to the chair and ranking minority member of the house
22 committee on ways and means, the chair and ranking minority member of the senate committee
23 on ways and means, and the clerks of the House of Representatives and senate no later than
24 October 15, 2013.”