#### 

# 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 the salaries of executives in non-profit organizations.

#### PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Peter J. Durant	6th Worcester	1/17/2019
Joseph D. McKenna	18th Worcester	1/31/2019
Shaunna L. O'Connell	3rd Bristol	1/31/2019

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By Mr. Durant of Spencer, a petition (accompanied by bill, House, No. 3708) of Peter J. Durant, Joseph D. McKenna and Shaunna L. O'Connell relative to limiting the salaries of executives in non-profit organizations. Consumer Protection and Professional Licensure.

## The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court (2019-2020)

An Act limiting the salaries of executives in non-profit organizations.

*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 this section; provided, however that a non-profit hospital service corporation organized

- 8 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 subject to this section shall be limited based on the annual budget size of the organization 11 and executive positions as follows:
- 12PositionBudget Size (in dollars)Salary (in dollars)

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

For the purposes of this section, compensation shall include salary, bonus and incentivepay, deferred compensation and nontaxable level benefits.

34 (c) Annual compensation increases, beginning in fiscal year 2020, for any such
35 employee subject to this section shall be limited to the per cent change in inflation as measured
36 by the annual per cent change in the consumer price index for all urban consumers for the Boston
37 metropolitan area as determined by the Bureau of Labor Statistics of the United States
38 Department of Labor.

39 (d) Notwithstanding any general or special law to the contrary, a nonprofit corporation or
40 public charity subject to this section shall file with the state secretary the amount of the annual
41 compensation of its employees listed in subsection (b) for each calendar year on or before March
42 31 of the following year.

- 43 (e) A nonprofit corporation or public charity that violates this section shall lose its status44 as a nonprofit as it is organized and operates under the general laws.
- 45 SECTION 2. This act shall take effect January 1, 2020.