



Memo To: House Corporations Committee

From: Kelly Nevins, Chief Executive Officer

Date: March 6, 2025

Concerns: **Opposes H5454 Relating to General Assembly Committees and Staff**

Women's Fund of Rhode Island is a nonprofit organization whose mission is to invest in women and girls through research, advocacy, grant-making, and strategic partnerships designed to achieve gender equity through systemic change. We have four staff members and two interns. We are in strong opposition to H5454, which would impose unnecessary and overly broad disclosure requirements on nonprofit organizations seeking state funding.

While transparency and accountability are critical in the stewardship of public funds, this bill places an undue burden on nonprofits by requiring them to publicly disclose private compensation details and comprehensive financial information that extend far beyond what is relevant to the funding request at hand.

Many of the details that H5454 seeks to mandate for public disclosure are already available through IRS Form 990, which nonprofits file annually and is accessible to the public. However, H5454 goes beyond reasonable transparency measures by requiring information that is not only private but may also be misleading when considered outside of the full operational context of an organization. For example:

- A nonprofit may operate multiple programs, employ hundreds of people, and serve thousands of individuals. The salaries of its highest-paid employees do not necessarily correlate with the specific program or service for which funding is being requested from the state.
- Organizations of vastly different sizes and scopes would be subject to the same requirements, with no distinction made between large institutions with multimillion-dollar budgets and small nonprofits with limited staff and modest salaries. In the case of Women's Fund of Rhode Island, this would mean our entire staff would have their personal financial information shared publicly. We can guarantee you that none of us are being paid exorbitant salaries or benefits!
- Public disclosure of salaries could disincentivize talented professionals from entering nonprofit leadership, as their compensation would be subject to public scrutiny in a way that is not required in comparable private sector roles.
- The inclusion of fundraising, endowments, trusts, and other financial details not related to state funding requests is unnecessary and may deter private donors from supporting nonprofits if they fear their contributions will be scrutinized or misrepresented.

Additionally, this legislation may have a chilling effect on nonprofits seeking state partnerships, discouraging organizations from applying for public funding due to onerous disclosure obligations that ***do not improve accountability but instead create administrative burdens and potential privacy concerns.***

If the intent of this legislation is to ensure that public funds are used responsibly, a more appropriate approach would be to strengthen reporting and oversight specific to the state-funded programs rather than imposing broad and invasive requirements on an organization's entire financial structure.

For these reasons, we strongly urge the committee to reject H5454 and seek alternative measures that uphold transparency while respecting the privacy and operational integrity of Rhode Island's nonprofit sector.