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ACLU OF RI POSITION: OPPOSE

TESTIMONY ON 25-H 6235, RELATING TO GENERAL ASSEMBLY – COMMITTEES AND STAFF April 29, 2025

This bill would require non-profit agencies seeking funding from the General Assembly to post on their website a variety of detailed financial information, including the salaries of the ten highest paid employees and all sources of the organization's funding. It would significantly invade the privacy of non-profits and also impose significant burdens on many organizations that seek funds, as they are often small volunteer groups that are requesting and receiving relatively small sums of money. The ACLU of Rhode Island therefore opposes this legislation.

While there has been great concern over the years about the lack of transparency in the General Assembly grant process, we believe this bill has the wrong focus. The objections we have heard have not been so much about the organizations getting the grants, but rather the secretive nature of the legislative grant process and how the decisions get made on who will be given grants. This legislation would not address that issue at all.

A good deal of financial information about non-profits can currently be found in the 990 forms they must annually file with the federal government. There should be no need for the state to demand more than what those documents already provide. In fact, if the concern, as we have heard, may involve difficulties people have in tracking down the 990 information, the bill could easily be revised to simply require grantees to submit the salary information of any employee whose financial information must be disclosed on the 990. This would avoid the burdens that the bill's request for much greater and more detailed information would impose on non-profits.

Unrelated to these larger substantive concerns about the bill, we would point out two drafting issues. First, as worded, it is unclear whether the bill applies to requests for any state grants or just state grants from the General Assembly. We assume the latter, but the bill's wording is ambiguous. Second, we note that the burdensome posting requirements apply to any group merely requesting funds, and not necessarily getting any. The privacy and bureaucratic issues raised by the bill are of concern enough, but to impose them as a condition of even asking for funds seems particularly onerous. We therefore urge that these ambiguities be addressed as well.

Thank you for considering our views.