

Testimony

Mary Ellen Jackson, Executive Director of the NH Center for Nonprofits
Regarding SB177: Board and Officer Training Bill
Thursday, February 10, 2011

The mission of the New Hampshire Center for Nonprofits is to provide resources, training and support to nonprofits boards and staff leaders and to advocate for the nonprofit sector.

- The Center is a statewide organization member-based organization, with about 700 nonprofit organization as member- but our programs are open to all – regardless of membership
- In a year more than 2,000 nonprofit leaders register for our 50-60 workshops held around the state, 2-3 conferences and annual Summit. Our programs focus on nonprofit leadership development, board governance and technical skills such as budgeting and fiscal reporting.
- Three to four times a year we host Assistant Director Charitable Trust Terry Knowles presenting her Staying Legal Seminar. In a year 60-80 nonprofit board and staff leaders will participate in this program
- We offer a website filled with resources, and publish an e-newsletter with board and leadership resources weekly
- Within the next 6 months we will be launch a very robust Nonprofit Platform- which will offer online training as well as resource in financial management, board governance, fundraising and operations.
- And finally, in terms of much targeted board programs we offer a free board assessment tool, in-the board room consultation on challenging issues, and a program tailored to Board Chairs.

This is a broad overview; I have brought informational booklets for you to review.

Our Position on Senate Bill 177

So as you can see we are grounded in building capacity in the nonprofit sector, elevating the visibility of the sector and recognizing the impact of the work accomplished each day by the nonprofit community.

We share with you the recognition that the fiduciary duties of a nonprofit boards are serious and must be upheld and that the fiscal oversight is often complex.

And we recognize that while many nonprofits have highly functioning and fiscally astute board and staff leaders, others have a variety of training needs- and the training needs vary greatly.

We appreciate that this bill has entered us into a discussion with our government partners about nonprofit board-executive leadership team and their critical importance.

However, we have a fundamental and core reason for not supporting this legislation because; we do not believe training should be a legislated mandate. For the nonprofits receiving state contracts, it seems reasonable for the state to engage in discussions with its contracted providers and together develop requirement via the contracting process.

Additionally, I want to point out some elements in the legislation which will cause burdensome fiscal and administrative challenges:

- **The High volume of those to be trained:** There are approximately 800 nonprofit in NH with budgets over \$1 million; we estimate that about 300 nonprofits of these would be impacted by this bill. On average nonprofits have 12 people on their board and two senior executives that mean 3,600 plus people to be trained.
- **The Cost to be incurred;** The cost starts becoming prohibitive as board members terms end at different times. So for example, a nonprofit may have spent \$800 one year to train 12 board members and two staff leaders.

But, four of those trained board members leave the board a year later, three new board members comes on, that means another \$300. A year later 2 more board members unexpectedly leave and two more come on, - another \$200. **Some of these boards have as many as 20-24 people on their board as well as clients as mandated by law.**

- **The tracking and compliance;** Instituting systems to track individual board members participation will be burdensome for nonprofits with large boards who also experience a lot of turn over .
- **Deterring civic minded community leaders to volunteer.** In this current environment is it challenging to recruit board member and a typical nonprofit provides a 4 hour orientation and its own internal fiscal training, so asking busy volunteers to attend 8-10 meetings a year, serve on committees, and now attend mandatory fiscal training could cause wonderful volunteers to think twice.
- **Bill does allow for flexibility and recognition of what is in place:** The diversity of the sector is significant. We need to point out that the majority of nonprofits impacted by this legislation have highly sophisticated board members and executives well trained to deal with complex multi-million dollar budgets, filing of the 990 and executing audits. There needs to be a mechanism for recognizing their fiscal acumen and waving the training. We also recognize that some

nonprofits are much smaller by scale and their needs for training are much different. So any and all training must allow for flexibility.

CLOSING

The Center for Nonprofits will continue to support, endorse and provide training in all areas of nonprofit management, leadership and governance. We look forward to expanding our service to boards in the coming years. And we look forward to continue partnership with Terry Knowles on our joint programming efforts.

We stand willing and ready to work with government partners and our nonprofit colleagues, offering to convene leaders to explore ways to support the sectors health and vitality.