

February 24, 2021

**Testimony on House Bill 1210**  
**Corporate Diversity - Board, Executive Leadership, and Mission**  
**House Economic Matters Committee**

**Position: Support- Amend**

Maryland Nonprofits is a statewide association of more than 1200 nonprofit organizations and institutions. While there are questions about its implementation that should be addressed by amendment, we applaud and strongly support the concept and intent of this bold initiative, and we urge its adoption. Maryland Nonprofits' commitment and advocacy for board and organizational diversity of nonprofits is reflected in the best practice guidelines of our ***Standards for Excellence Program***, our training and consulting work with members and other organizations, and our internal practices.

Our ***Standards for Excellence*** code of management and accountability best practices has long included a direction that *"Board membership should reflect the diversity of the communities served by the organization."* The ***Standards*** currently state that *"The board should establish a rigorous board development strategy for recruiting and selecting new members and ensuring that the board has an appropriate mix of talent, connections to the community, and diversity."*

Most nonprofits across the state recognize the importance of diversity and inclusion to effectively achieving their missions, but in a recent survey more than half conceded that they need to do more.

We support House Bill 1210. But we have heard serious concerns from members, that we share, about its implementation. There are provisions that as stated in the bill raise significant questions about how it will be implemented by regulation. For example, terms such as 'demonstrate membership' of underrepresented communities or 'demonstrate support in the mission', can have a very wide range of potential interpretations or measurements, affecting nonprofit organizations' ability to conform. Also, the impact is unclear on groups that rely on other organizational structures to assure equity, diversity or inclusiveness in their decisions and activities, such as advisory boards or councils.

More specificity on intent, or criteria, should be provided in legislative language on these and other questions, such as the nature of the 'scorecard', or whether the reference to an 'entity's mission' implies a review or scoring of a nonprofit's mission statement. **If time does not permit that to be accomplished in amendments, we would urge you to require that regulations be prepared for public comment by the end of this calendar year, to allow for public review and your consideration in the next session, before their effective date.**

The bill raises other questions that should also be considered, if not now in the future, including:

- the implication for other marginalized and underrepresented groups, such as persons with disabilities or members of the LGBTQ community, with regard to 'state benefits' and other state laws related to equity, diversity and inclusion; and
- the lack of diversity or inclusiveness of state and local government boards and commissions, and executive agencies.

In conclusion, we urge you to give House Bill 1210 a favorable report, but to include amendments that either provide more specific criteria or parameters for its implementing regulations, or that provide the opportunity for review of those regulations prior to the 2022 legislative session.

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