



Written Statement: Testimony

Re: SB247 – House State Government Administration Committee 4/19/23

Mr. Chairman and committee members:

[Forefront](#) is Illinois' statewide membership alliance for the nonprofit and philanthropic sectors. The sector we represent is comprised of over 70,000 nonprofit organizations that employ almost 600,000 people, constituting 11% of our state's economy. Forefront has members across the state who are collectively working to advance economic security and racial equity for all people in Illinois.

In Illinois, nonprofits are governed by the [General Not For Profit Corporation Act](#), the [Charitable Trust Act](#), and the [Solicitation for Charity Act](#). Forefront partners closely with state authorities that oversee and support the sector, including the Secretary of State,¹ [Attorney General](#),² State Treasurer,³ and to ensure transparency and accountability and disseminate best practices (i.e. [Illinois Nonprofit Principles and Best Practices](#) [2020]).

Forefront itself is a member of National Council of Nonprofits and United Philanthropy Forum; we also work closely with Independent Sector and Council on Foundations. These national partners support and advise state associations like Forefront and our counterparts in other states on issues that affect the nonprofit sector.

[SB247](#) adds a 36th permissible purpose to the list of reasons for which a nonprofit entity may become incorporated in Illinois. We consulted with our national partners and other stakeholders with a variety of positions on this bill (including the Illinois Environmental Council, who serves on Forefront's policy Committee) to assess it for any concerns. When the State broadens definitions of what may be considered charitable under the state nonprofit code, Forefront will remain neutral, with two exceptions: (1) if doing so will interfere with federal law; in particular, nonprofit nonpartisanship and ensuring that the broadening does not permit any kind of partisan politicking; and/or (2) the State's definition becomes inconsistent with "charitable purposes" defined under [I.R.C. 501\(c\)\(3\)](#).

Since this bill does not interfere with nonprofit nonpartisanship and keeps the definition of charitable, **Forefront is neutral on the bill. However, it does give us pause** that the statute is being amended for a specific group, and we've heard concerns that by doing so, that group may be exempt from oversight or other procurement requirements that similar private sector firms must follow.

The purpose of submitting testimony today is to highlight the fact that when the statutes that govern our sector may be amended, Forefront, as the statewide nonprofit membership association, should be proactively included by legislators in discussion. Please consider us as a helpful resource. We can offer insight based on the advice of our national partners and best practices in other states, help identify other stakeholders if needed, and help think through any potential unintended consequences. **Forefront should be at the table when the General Assembly considers legislation that impacts the General Not For Profit Act, the Charitable Trust Act, and/or the Solicitation for Charity Act.**

In partnership,
Holly Ambuehl, Director of Policy and Government Affairs, Forefront, hambuehl@myforefront.org

¹ The Secretary of State oversees the process by which corporations, including non-for-profit corporations, file articles of incorporation.

² The Attorney General oversees the [registration and annual reporting process](#) for nonprofit businesses and the [Charitable Advisory Council](#).

³ The Treasurer's Office manages the [Charitable Trust](#).