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**LEGISLATIVE TESTIMONY**

TO: Joint Committee on the Judiciary  
FROM: Edward F. Saunders, Jr., Esq., Executive Director  
RE: House 1573, “An Act Relative to the Liability of Certain Non-Profit Corporations,”  
Senate 1674 and 1675 (identical filing), “An Act Relative to Tort Liability for Certain Charitable Organizations,”  
Senate 1738, “An Act to Clarify the Charitable Purposes of Certain Organizations,”  
Senate 1747, “An Act Revising the Charitable Immunity Cap,” and  
Senate 1857, “An Act Relative to the Tort Liability of Certain Charitable Organizations”  
DATE: January 28, 2010

Several bills being heard today by this Committee would amend the charitable immunity statutes by expanding the degree of civil liability to which a charitable organization potentially would be subject or by removing the existing cap altogether. House 1573 would increase liability globally for all charitable entities. Senate 1738 and Senate 1747 would establish a tiered approach, increasing liability for all charitable entities except those that derive more than fifty percent of their income from charitable gifts. Senate 1747 would limit this exception to those entities that have fewer than twenty-five employees. Senate 1738 would also carve out another category that would not be subject to the increased liability, namely organizations established primarily for religious purposes. Senate 1674/1675 and Senate 1857 would increase liability for all charitable entities in specific categories of cases arising within or under the auspices of the charitable institution. Under the proposals listing specific categories, increased and even unlimited liability would attach either to civil claims involving crimes generally or to those involving criminal or tortious acts of sexual abuse against children specifically. Senate 1674/1675 would operate retroactively.

Charitable immunity recognizes the importance, especially in these difficult times of economic hardship, of preserving the financial capacity of charities to serve the public good. As indicated in the Massachusetts Law Review, a publication of the Massachusetts Bar Association, “The primary rationale for charitable immunity is that, without it, the financial strains of liability would reduce the capacity of charitable institutions to provide valuable goods and services to the community. In turn, these ‘public goods’ would be undersupplied when left to the commercial sector, with government having to make up the shortfall. Thus, by furnishing societal benefits, charitable institutions relieve government of the burden and costs it would otherwise confront if responsibility for public goods were left primarily to for-profit businesses.”<sup>1</sup> Placing further financial burdens on the capacity of charities to meet vital social needs, as these bills would do, makes no sense when the Commonwealth’s own budget woes are diminishing its ability to care for citizens experiencing the negative effects of a severe and ongoing economic downturn.

Any alteration in the careful balance currently struck by the charitable immunity statutes between the interest of charities in providing services of great public value and the interests of those harmed by sexual abuse should be based on a careful and comprehensive public policy assessment. The bills before this committee fail in this regard for the following reasons.

First, those bills that remove all limits on liability expose charities to the threat of dissolution as a result of the unlimited awarding of damages in specific cases. Second, no precedent exists for singling out specific torts in order to open the damage award floodgates. Third, those bills that operate retroactively would interpose an extremely unfair enlargement of potential liability without affording charities the opportunity to sufficiently insure against actual risk of loss from claims already brought. Fourth, those bills that stipulate that retroactivity should be as extensive as judicially determined, both transgress constitutional guarantees of fairness while at the same time handing over to the courts the legislative task of assessing the competing public policy interests.

Finally, the bills focus narrowly on charitable and religious entities as if these were the only arenas of concern. Senate 1738 would exempt “primarily religious” organizations from increased liability without defining the operative terms, thus implicating increased liability for institutions deemed not to be primarily religious however those terms are to be defined even if the institutions are associated with religious institutions or otherwise exhibit a religious character.

Unfortunately, the sexual abuse of children is a widespread tragedy. Its occurrence in the home, larger community and government institutions, such as public schools, also deserves attention.

In October 2007, the Associated Press released its findings from a seven-month long investigation in all fifty states of public school administrative disciplinary records between 2001 and 2005, concluding that a “widespread problem” continues to exist in the public schools involving the sexual abuse of minors by educators.<sup>2</sup> Through its investigation, “[t]he AP discovered efforts to stop individual offenders, but overall, [found] a deeply entrenched resistance toward recognizing and fighting abuse,” and observed that “in state capitols and Congress, lawmakers shy from tough state punishments or any cohesive national policy for fear of disparaging a vital profession.”<sup>3</sup>

The AP report follows up on a 2004 study by the U.S. Department of Education entitled “Educator Sexual Misconduct: A Synthesis of Existing Literature.”<sup>4</sup> In a preface to the federal study, the Department’s Deputy Secretary, Eugene W. Hickock, wrote “we believe that sexual misconduct in whatever form it takes is a serious problem in our nation’s [public] schools and one about which parents and taxpayers have a right to be informed.”<sup>5</sup>

The report surveyed existing studies and demonstrated, among other findings, that a) sexual abuse of children by teachers and other adults is a significant problem in public schools,<sup>6</sup> b) research to date has “document[ed] the ways in which schools and districts fail to remove abusers from the classroom,”<sup>7</sup> c) even among those perpetrators whose employment may be discontinued and teaching license pulled, few are prosecuted or monitored once they have left the school system,<sup>8</sup> and d) school administrations resist media inquiries and other public scrutiny.<sup>9</sup>

In Massachusetts, governmental institutions such as public schools are protected from unlimited liability and from claims brought more than three years from the date the cause of action arose.<sup>10</sup> None of the bills before this Committee proposes to alter such limits on liability in cases involving public entities, while at the same time such bills would expand the liability of charities.<sup>11</sup>

In the face of a tragedy that confronts private and public institutions alike, indeed all of society, this skewed attempt to reach the assets of charities by altering the charitable immunity laws, without a comprehensive consideration of the problem in public institutions, lacks a cogent rationale.

Thus, the Massachusetts Catholic Conference (“Conference”) urges the Committee to report House 1573, Senate 1674/1675, Senate 1738, Senate 1747, and Senate 1857 with an unfavorable recommendation.<sup>12</sup>

The Conference is the public policy office of the Roman Catholic Bishops in the Commonwealth, representing the Archdiocese of Boston and the Dioceses of Fall River, Springfield, and Worcester.

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<sup>1</sup> Kenneth R. Hohlberg, *Modern Reflections on Charitable Immunity*, Mass. L. Rev., Winter 2006, at 163, 164.

<sup>2</sup> Martha Irvine & Robert Tanner, *Sexual Misconduct Plagues US Schools: AP Counts 2,500 Teachers Punished in 5 Years*, Boston Globe, Oct. 20, 2007, available online at [http://www.boston.com/news/nation/articles/2007/10/20/sexual\\_misconduct\\_plagues\\_us\\_schools\\_ap\\_counts\\_2500\\_teachers\\_punished\\_in\\_5\\_years/](http://www.boston.com/news/nation/articles/2007/10/20/sexual_misconduct_plagues_us_schools_ap_counts_2500_teachers_punished_in_5_years/).

<sup>3</sup> Id.

<sup>4</sup> Authored by Prof. Charol Shakeshaft of Hofstra University, the report is available online at <http://www.ed.gov/rschstat/research/pubs/misconductreview/index.html>.

<sup>5</sup> Id. at 1.

<sup>6</sup> Id. at 18 (in a national survey commissioned by the American Association of University Women, deemed to be the most extensive and accurate study to date, 9.6 percent experienced unwanted educator sexual misconduct).

<sup>7</sup> Id. at 44

<sup>8</sup> Id. at 44-45.

<sup>9</sup> Id. at 10-11. 44-46.

<sup>10</sup> Mass. G. L. ch. 258, § 4.

<sup>11</sup> All of the proposals before this Committee that would retain a monetary cap nonetheless would exceed the cap of \$100,000 applied to claims against governmental entities.

<sup>12</sup> If the Committee disagrees with our position and feels some change in immunity is necessary, that change should apply to all entities that are entrusted with the care of children at every level of government.