



# Federal Bar Association

## **The Need for Legislation to Amend the Foundation of the Federal Bar Association's Charter**

**PROBLEM:** In the 1950s, Congress enacted legislation creating a Congressional charter for the FBA Foundation. The FBA Foundation is a distinct legal entity from the FBA and primarily gives scholarships to high school and law students, as well as some grants to FBA chapters for work in their communities. The FBA Foundation charter, now 70 years old, is outdated and hinders the Foundation's ability to do good work. Congressional action is the only way the Foundation can update its governance structure and operations.

**SOLUTION:** Senators should cosponsor the bipartisan **Foundation of the Federal Bar Charter Amendments Act (S. 2694)** sponsored by Senators Kennedy and Whitehouse, which is nearly identical to a bill that the House unanimously passed in the 117th Congress and simply cleans up the charter and brings it more in line with best practices for nonprofits.

**RATIONALE:** The current charter impedes efficient and effective operations in several ways:

- The charter requires six-year terms for board members, making it harder to find a robust field of director candidates since many volunteers can't commit to a six-year term. It also means less board turnover - current views in the nonprofit community are that more frequent board turnover is helpful.
- The governance sections are very restrictive for current day governance best practices.
- The charter requires that the Foundation's officers include a historian, which is not needed because administrative staff keeps the records of the Foundation. Electing a volunteer to a position without duties leaves the volunteer dissatisfied with their service experience.
- Upon dissolution, the proposed amendments would give the board authority to distribute the Foundation's remaining assets instead of requiring they be deposited in the U.S. Treasury. The Foundation's assets are made up of mostly donations from private individuals, and some donations' use is restricted by direction of the donor. No other organization – not even the U.S. Capitol Historical Society – requires the deposit of the remaining assets in the U.S. Treasury upon dissolution of the organization.
- The charter requires the Foundation to be located in DC, which is not conducive to convenient and efficient operations. (Congress permitted the Future Farmers to select their location in their charter amendments).

Since Congress has passed similar bipartisan charter amendments as recently as 2019, when Leader McConnell moved for the Future Farmers of America charter to be amended by UC, we hope Congress will do so also for the FBA.

***FBA urges Senators to consider cosponsoring the Foundation of the Federal Bar Charter Amendments Act and to urge that the Judiciary Committee consider it favorably in the coming weeks.***

**Background on the Federal Bar Association:** Founded in 1920, FBA unites the bench and bar to advance the rule of law through education, leadership, and nonpartisan advocacy on public policy matters. There are nearly 100 local chapters across the country and roughly 15,000 members engaged in federal practice. FBA members work in law firms, corporations, associations, and federal agencies and our members include around 2,000 federal judges.