



The Susquehanna Association for the Blind and Vision Impaired is a not-for-profit agency incorporated in the Commonwealth of Pennsylvania. Its mission is to provide both employment and rehabilitation services to persons who are blind and are living in Lancaster and Lebanon Counties. SABVI employs 127 staff and industrial division employees, 60 to 65 of whom are legally blind and working on projects set aside under the Javits Wagner O'Day program. My name is Sandra Murphy, and I am pleased and privileged to be Chairperson of the Board of Directors of this remarkable organization.

SABVI's Board consists of 15 residents of the communities we serve. We volunteers come from a wide variety of professions and vocations and our backgrounds are as varied as are those of our neighbors and co-workers. I am the mother of a legally blind teenager who at the age of 8 months began his education at SABVI's preschool. His life today is as normal and full as any other teen's. In large part, I thank SABVI for this, and I am proud to have the opportunity to offer my time and talents in service of my community through the good works of this agency.

I tell you this because I believe, first, that this agency is typical of the 70-plus similar organizations associated with NIB, NAEPB, and the JWOD program. We all are providing employment and in many cases rehabilitation services for people who are legally blind. The volunteer governors of these agencies, we their board members, are charged by law with ensuring that all aspects of the operations of the organizations we serve are ethically and legally carried out. We are responsible to the law of the land, and perhaps even more importantly, to the people whose communities we serve, to ensure that our agencies are properly governed.

The weight of that imperative is substantial and not easily ignored. Yet the Committee for Purchase has spent enormous energy and resources in its efforts to ensure that the governance of agencies operating within the JWOD program is good governance, when in fact, in both practical and statistical reality, only a tiny minority of agencies have been suspected of improper practices. Further, the Committee has isolated a basic canon of good governance, management of executive compensation, for special attention, when in reality, this has neither been demonstrated to be a problem of a scale that justifies such attention, nor

has it been shown to be ineffectively controlled by existing Federal statutes and regulations.

The irony is that your job is really no different than mine – to govern a program designed to help people like my son who, without our efforts, would likely not be able to participate as an independent and productive American. And while I do not deny that the Committee for Purchase has a valid interest in being assured that its participating agencies are properly governed, I submit to you that there is a better, more effective and more efficient way to gain that assurance, one that will allow both of us to be free to pursue our largely common missions: to provide employment for Americans who are blind.

Yes, good governance is vital to the integrity and the survival of all not-for-profit organizations. Yes, there are and will always be people who will take advantage of opportunity to line their pockets at the expense of others, and we must take all reasonable actions to prevent them from doing so. To these ends we support the development of a formal process for accreditation of governance for all JWOD agencies, but not by; instead, on behalf of, the federal agency you serve as its governors. This solution is relatively simple to administer and will not place an undue burden on either the CNA's or the producing agencies, and I encourage you to proceed in a manner that allows its adoption.

I would like to comment briefly on the subject of executive compensation. As I have testified, I believe that management of executive compensation is a vital part of good governance. I believe that the rebuttable presumption of reasonableness to which you have referred should be guaranteed by a process carried out by each agency's governing body and affirmed through a accreditation of governance. I agree fully with the testimony of others suggesting that this process be designed by a third-party in a private-public partnership, and that it be administered by the appropriate Central Non-profit Agency. But I reject as impractical and uninformed the suggestions that arbitrary and irrelevant limitations by amount or by ratio be imposed by the federal government. Neither of these proposals takes into account what I believe to be the most important consideration before this board – if you will indulge the local flavor: An elected governing body made up of Lancastrians knows far better than does a federal agency what is best for Lancaster.

In the examples offered thus far, whether they be ratios or ties to Government Service salaries, we conservative Lancastrians have plenty of headroom and it is unlikely that we would break any such barrier in the foreseeable future. But we are a relatively small agency now, committed to a strategic plan that emphasizes growth in both employment and rehabilitation services; and we know that when our CEO retires we will be larger and even more diverse than we are now and we will therefore be forced to consider higher levels of compensation. To force upon us any formula or other limitation that ignores marketplace, denies community

values, and casts speculative doubt on the integrity of the governing body of our agency, would be most unfortunate.

SABVI's board of directors supports and is demonstrably committed to good governance. This is, I submit with confidence, the norm in the NIB system. We urge you to reach out to all of us to create a process that provides you with the assurances to which you are entitled, without denying us the right or interfering with our efforts to do what our communities expect us to do.

Thank you for granting me this opportunity to address you today. I wish you the best of fortune in your commitment to providing employment opportunities for people who are blind and severely disabled.

Sandra Murphy
Chairperson, Board of Directors
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