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# Nonprofit Champion | September 6, 2022

## Demand Relief Now!

Right now, residents in virtually every state are suffering from a natural disaster, whether escaping wildfires, adapting to drought conditions in many places and coping with flooding in others, struggling to find clean drinking water, or rebuilding their lives after devastating events. And charitable nonprofits are right there with them providing relief, recovery, and support. Nonprofits need resources to keep these efforts going, and they need it now!

Last month, a coalition of national nonprofits [sent a letter to the President and congressional leaders](#) stressing the need for restoring expired charitable giving incentives, and the Employee Retention Tax Credit, so nonprofits have much-needed resources to support relief and recovery efforts in their communities.

**Take Action:** Tell your Senators and Representatives they must enact disaster relief legislation that restores and expands expired charitable giving and employment tax incentives before the next natural disaster hits. Not at the end of the year, but right now!

- **Email** ([Representatives](#), [Senators](#)) and **tweet** to your [Representative and Senators](#) the new nonprofit disaster-relief letter. <https://bit.ly/3TD9I0G>
- **Retweet** messages from [@NatlCouncilNPs](#) and [#Relief4Charities](#) to your [Representative and Senators](#).

## Federal

### Summer's Over, School's Back in Session

Labor Day marks the unofficial end of summer and the start of a period of intense action at the federal level. Between now and the November elections, Congress must pass legislation to keep the government running, the Administration will likely announce regulatory changes in educational and workplace rules, and the Supreme Court returns for what is expected to be another contentious term. Nonprofit operations and policy priorities could be affected now and for years to come by upcoming actions in all three branches of government.

**Legislative:** The top priority when Congress reconvenes (the Senate today and the House next week) is to pass a budget before federal spending authority expires on Sept. 30. None of the 12 appropriation bills has been enacted yet, making it virtually certain [Congress will have to pass a Continuing Resolution](#), a stopgap spending bill to maintain current agency spending levels, probably until mid-December. Nonprofit and other advocates are seeking passage of a bipartisan retirement savings tax package and restoration of expired tax provisions (see Action Alert, above). Another hot topic that could be considered before year's end is amending the 1887 Electoral Count Act to modernize how to resolve disputes of presidential elections. The Senate's agenda includes consideration of 20 judicial nominees and passage of the same-sex marriage bill the House passed earlier. Also, the House Select Committee to Investigate the January 6th Attack on the United States Capitol will continue its work, including holding at least one public hearing in September.

**Executive:** Nonprofit employers are anticipating two major regulatory actions this fall from the Departments of Education and Labor. As previously reported, the Education Department should be finalizing rules to make permanent some of the relaxed eligibility terms in the [temporary Limited PSLF Waiver](#) set to expire Oct. 31. See [National Council of Nonprofits public comments](#) for background and impact on

nonprofit staff and operations. The Labor Department announced earlier in the year that it will be proposing [revisions to federal overtime regulations](#). The proposed changes, expected to be released in October, reportedly aim to update the salary level threshold (currently set at \$35,568 annually). This threshold is a key factor for determining eligibility for the exemption of *bona fide* executive, administrative, and professional employees from the Fair Labor Standards Act's minimum wage and overtime requirements.

**Judiciary:** The Supreme Court docket for its new term that begins October 3 has [numerous significant cases](#). These include reconsideration of the legality and limits of affirmative action, redistricting and state legislative control over federal elections, employment rights, and environmental policy. The Court will be different this term, as new Justice Ketanji Brown Jackson replaces retired Justice Stephen Breyer.

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### ***Worth Reading***

- [Senators Return to Work for Final Legislative Push Before Midterms](#), Natalie Andrews and Katy Stech Ferek, *The Wall Street Journal*, Sept. 4. 2022.
  - [Supreme Court cases, October term 2022-2023](#), Ballotpedia, updated regularly.
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## **Important Student Loan News for Nonprofit Employees**

**Immediate Action Needed:** People with federal student loans who work at charitable nonprofits and in other public-service jobs should **take immediate action before Oct. 31** to secure a waiver under the Public Service Loan Forgiveness (PSLF) program. In 2007, Congress created an incentive for individuals to take jobs in public service: in exchange for working at a charitable nonprofit or government for 10 years and making 120 timely monthly payments on their federal student loans, then the government would forgive the remainder of the loan. This year, the Biden Administration created a time-limited Temporary Waiver to eliminate past barriers so more payments that workers had made during their years of public service would be recognized and qualify toward PSLF forgiveness, including partial, lump sum, and late payments, as well as certain periods of deferment and forbearance. But the Temporary Waiver expires on Oct. 31. All employees of

charitable nonprofits and governments should immediately check out their eligibility using the [PSLF Help Tool](#). Even those who had previously been told they were ineligible should try again because of the relaxed rules under the Temporary Waiver. Read this [personal story about the PSLF Temporary Waiver](#) and how it really works.

**Additional Loan Relief Announced:** Separately, the Administration recently announced continuation – through Dec. 31, 2022 – of the pause on student loan repayments that started in early 2020. Also, it announced student loan relief for people with low- to middle-income, including nonprofit employees and everyone else. For borrowers with incomes of less than \$125,000 (\$250,000 for married couple), the announced plan calls for the federal government to cancel up to \$10,000 in federal student loan debt, cancel another \$10,000 of any federal Pell Grant loans (which were provided to students with the greatest financial needs), and update repayment plans so they will be based on income. No immediate action is required for borrowers to benefit from these announced changes, although additional action for debt cancellation may be required later after the Department of Education develops rules and forms. See [A Nonprofit Perspective on Student Loan Relief](#). Also, readers should be aware that the announced changes may encounter legal challenges. See [Republicans are readying lawsuits to block Biden's student debt plan](#), *The Washington Post*, Sept. 1, 2022.

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## **Worth Studying**

- [A Nonprofit Perspective on Student Loan Relief](#), National Council of Nonprofits, Aug. 25, 2022.
  - [Biden's Student Debt Relief Plan: Eligibility, Income Limits, Payment Freeze Extension, And More For Advisors!](#), Kitces, Aug. 31, 2022, providing an in depth analysis of the many components of recently announced student loan debt relief
  - [Time to Celebrate and Act: The Amazing Student Loan Forgiveness Program We Have Right Now](#), Rich Leimsider of PSLF.nyc Campaign, guest blog in *Knowledge Monthly*, National Council of Nonprofits, Aug. 17, 2022.
  - [The 'sleeper-hit' beyond \\$10K: Student loan borrowers say new income-driven repayment plan could be 'life-changing'](#), Jennifer Liu, CNBC, Sept. 4, 2022.
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## **Worth Watching**

- [Public Service Loan Forgiveness: Program has been around for a while, but waiver makes it easier to qualify](#) (1:15), KMTV, Aug. 29, 2022, spotlighting Rosey Higgs of the **Nonprofit Association of the Midlands** in **Nebraska** who qualified for relief under the PSLF Temporary Waiver.
  - [Student Loan Forgiveness in Focus](#), a two-part webinar series from the National Conference of State Legislatures, Aug. 25-26, 2022.
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## ***Worth Listening***

- [Total Student Debt Cancellation Possible for MT Nonprofit Workers](#), *Public News Service*, Aug. 31, 2022, featuring Tylyn Newcomb from the **Montana Nonprofit Association** on the impact PSLF can have on the state's nonprofit employees.
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## ***Federal FastView***

**Congress Requests Extension of Waiver:** More than 110 Members of Congress sent a letter to the Department of Education urging the Administration to [extend the Public Service Loan Forgiveness Temporary Waiver](#) until at least July 1, 2023.

"Extending the waiver would help ensure more public servants are able to benefit from the historic waiver that has already resulted in over \$9 billion in forgiveness ... The extension would also help the agency minimize confusion among borrowers while it conducts a one-time account adjustment later this year and finalizes its proposed final rule," according to the letter. The National Council of Nonprofits endorsed the letter and also requested an extension of the Temporary Waiver in its [comments to the Department of Education](#) submitted earlier this year.

**Congress Requests IRS Backlog Clearance:** Last month 58 Members of Congress wrote that the Internal Revenue Service "must take additional steps to improve customer service issues, decrease processing delays, and work-down the backlog of paper returns and correspondence" in a [bipartisan, bicameral letter to IRS Commissioner Rettig](#). The letter requests responses to 11 questions to "gauge the extent of hiring and processing challenges" such as how the IRS plans to eliminate the backlog, what is a manageable carryover level, what is the average refund delivery period, and how many contractors are used.

**IRS Released Private Information:** The Internal Revenue Service inadvertently [posted on its website the confidential information](#) of more than 100,000 taxpayers before discovering and correcting the error. The data were reported to the IRS on Form 990-Ts filed in connection with individual retirement accounts. The disclosure included people's names, business contact information, and income produced by certain investments. The revelation of the mistake comes when the IRS is already under intense scrutiny over leaks of some high-income taxpayers' tax filings to *ProPublica* and the apparent targeting for audits of two high-profile critics of former President Trump.

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## Share Your Experiences with Race in the Nonprofit Sector

People in our sector, including advocates, need to hear *your* experiences so we all can learn and give stronger voice to change - change at the personal, organizational, and systemic levels. Since 2019, the nation has experienced the COVID pandemic, uprisings in response to the murder of George Floyd and police violence, the continuing epidemic of mass shootings, and dramatic shifts in the political landscape. How has the nonprofit sector shifted in response?

The [Race to Lead Survey](#), an initiative of the [Building Movement Project](#), is building the largest dataset on race and leadership in nonprofits to inform and improve the sector. The survey isn't just about numbers, it captures personal experiences - good or bad - that contribute to a collective story and the potential to transform the nonprofit sector. Previous surveys conducted in 2016 and 2019 have dispelled myths about leadership readiness and informed DEI efforts across organizations.

**Unlike many surveys that are intended for one response per organization, the Race to Lead survey recognizes that every individual's experience is different - even within one organization - and so they are looking for as many individual responses as possible.**

[Please take and share this survey](#) with everyone you know in the nonprofit sector to contribute to new understandings of how these changes are impacting all nonprofit workers, leaders and organizations.

# Tracking ARPA Fund Investments

## Addressing Job Vacancies and Equity

Several states recently announced investments of federal American Rescue Plan Act (ARPA) funds in programs that will provide training in fields experiencing shortages, bolster the workforce, and address disparities in the delivery of services.

- **Colorado** is investing \$26 million of its allocation of federal funds over two years to fill vacancies in the health and hospital systems through its [Care Forward Colorado Program](#). The program will provide tuition-free training for students enrolled to become certified nursing assistants, pharmacy technicians, or medical or dental assistants.
- **New York** Governor Hochul announced \$343 million in federal funds for another round of [child care provider stabilization grants](#). Three-quarters of those funds will be dedicated to supporting the child care workforce through wage increases, tuition reimbursement, and bonuses. The state will also allocate \$4 million in federal funds to [support multilingual and minority students enrolled in mental health degree programs](#) at state and city universities by providing tuition assistance, paid internships, and stipends to address a lack of diversity in the field.
- Direct federal support is going to the nonprofit [Alaska Primary Care Association](#), which will receive a \$9.7 million ARPA grant from the U.S Department of Commerce to address shortages in health care facilities by introducing high school students to careers in the field, offering trainings and certifications, and expanding an apprenticeship program focused on health care.

## Tracking ARPA Spending

**Nationwide:** [ARPA Spending, National Council of Nonprofits](#), updated regularly.

**State & Local:** [State and Local Fiscal Recovery Fund](#) interactive dashboard, Pandemic Response Accountability Committee, updated regularly.

**State:** [ARPA State Fiscal Recovery Fund Allocations](#), National Conference of State Legislatures, updated regularly.

**Local:** [Local Government ARPA Investment Tracker](#), Brookings Institute, updated regularly.

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## Where are the Jobs and Vacancies?

Recent jobs reports signal the economic recovery remains vibrant, adding jobs in the hundreds of thousands every month, but a [critical assessment](#) notes that it's a difficult matter of knowing "where the jobs are and what they are paying." For charitable nonprofits, the challenge of identifying and quantifying job vacancies is complicated by the longstanding problem that the federal Bureau of Labor Statistics (BLS) does not break down and report jobs in the nonprofit sector. While the BLS reported [job growth of 315,000 for August](#), there is no official way for nonprofits, policymakers, and the public to know whether critical vacancies in jobs serving immediate human needs are going unfilled. Legislation pending in Congress, the [Nonprofit Sector Strength and Partnership Act](#) (H.R. 7587), would correct this problem by mandating that the BLS provide better and more regular data about nonprofit employment.

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### Worth Watching

- [Vt. Social services nonprofits struggle under staffing vacancies](#) (3:14), Katharine Huntley, WCAX-3, Aug. 26, 2022, describing the impact of "systemic high vacancy rates" nonprofits face on employers, staff, and clients that cannot access services.
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### Worth Reading

- [As staffing woes stretch nonprofits, they're going the extra mile to find talent](#), Sherri Welch, *Crain's Detroit Business*, Aug. 29, 2022, explaining the strategies nonprofits in Michigan are implementing to fill vacancies and proposing policy changes to consider.



- [A shortage of volunteer drivers is threatening transportation programs across Maine](#), Nicole Ogrysko, *Maine Public Radio*, Aug. 24, 2022, measuring the decrease in trips and volunteers and explaining how a lack of volunteers has led to the end of the Community Concepts transportation program.
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## Courts Protect Property Tax Exemptions

In a positive trend, state judges are maintaining property tax exemptions for charitable nonprofits and rejecting county assessor objections. [Minnesota](#)'s high court reversed a tax court ruling that claimed a nonprofit child care center, which was licensed by the state, did not meet the exemption requirement of providing comprehensive educational services. The tax assessor claimed that the nonprofit child care center did not have supporting testimony from the public school district that it met a higher standard for property tax exemption required by the state and "reduced the burden on public schools." The state supreme court determined that the child care center had "presented uncontroverted evidence" that it "has an educational purpose, provides a broad general education, and does so in a thorough and comprehensive manner."

A judge in [New Jersey](#) rejected a challenge from municipalities and determined that property tax exemption for certain nonprofit hospitals, including those that lease parts of their facilities to for-profit entities, is constitutional. The municipalities were challenging a law passed last year that [reinstated property tax exemption for nonprofit hospitals](#), applied and increased a community service contribution rate, clarified that any portion of the property leased to a profit-making organization is not exempt from property taxes, and prevented third parties from challenging a nonprofit's property tax exemption. The law was a result of [years-long legal battles between the municipalities and local hospitals](#) over property tax exemptions and the imposition of fees on nonprofit hospitals under the state constitution.

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### ***Worth Quoting***

#### **On Government Grants and Contracts**

- "The problem [of delayed payments] really goes to the heart of an organization's ability to deliver critical services. Nonprofits have had to cut

programs, lay off staff, even go out of business because of these problems.”

— Heather Iliff, President & CEO of **Maryland Nonprofits**, quoted in [City delays leave Baltimore nonprofits waiting up to two years for needed funds](#), Adam Willis, *The Baltimore Banner*, Aug. 12, 2022, commenting on reports that Baltimore City has delayed by up to two years paying housing funds promised to charitable nonprofits.

- “Our goal is to create a sector that has an equal seat at the table and has leaders who are armed with the skills they need to effectively run a high-impact nonprofit.”

— Kevin Dean, Executive Director of **Momentum Nonprofit Partners**, quoted in [Where does a nonprofit turn for help?](#), Mel and Pearl Shaw, *Urban Views*, Aug. 30, 2022, on the support regional and state nonprofit associations provide.

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## Numbers in the News

### 175,000+

The number of public servants – people working for charitable nonprofits, governments, the military, and other public service organizations – that have received federal student loan debt relief under the Public Service Loan Forgiveness program over the past 10 months. More than 1 million borrowers have received additional credit toward forgiveness under a temporary waiver. Borrowers are encouraged to see if they are eligible to take advantage of the temporary waiver before the October 31 application deadline.

**Source:** [Thanks to Temporary Changes, U.S. Department of Education Announces Public Service Loan Forgiveness Surpasses \\$10 Billion in Debt Relief](#), Department of Education, Aug. 23, 2022.

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## September is

- [National Preparedness Month](#)

- [National Recovery Month](#)
  - [National Wilderness Month](#)
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## Upcoming Events

- Sept. 8, [Student Loan Forgiveness May Still Be in Reach](#), CalNonprofits
  - Sept. 10, [NAO Conference](#), Nonprofit Association of Oregon
  - Sept. 13, [Making Your Nonprofit's Case](#) (Part 3), North Carolina Center for Nonprofits
  - Sept. 14, [Joint Policy Facilitation](#) (in-person), Nonprofit Association of the Midlands (Nebraska)
  - Sept. 14, [Nonprofits & Elections](#), Together SC
  - Sept. 20, [Joint Policy Facilitation](#) (virtual), Nonprofit Association of the Midlands
  - Sept. 20-22, [WV Nonprofit Leadership Summit](#), West Virginia Nonprofit Association
  - Sept. 21-23, [Annual Conference - Virtual](#), Montana Nonprofit Association
  - Sept. 22, [Lobbying & Electioneering for Nonprofits](#), Pennsylvania Association of Nonprofit Organizations
  - Sept. 27, [Nonprofit Leadership Summit](#), New Hampshire Center for Nonprofits
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## 14 Days to National Voter Registration Day!

Only two weeks until the biggest nonprofit voter engagement day of the year – **National Voter Registration Day!**

NRVD is the country's largest single-day voter registration drive, thanks to the more than 3,000 community partners across the country. [Sign up today](#) with Nonprofit VOTE and check out their new [state-by-state 2022 Voter Registration Guides](#). In the post-2020 era that has ushered in multiple changes to state election laws, these guides are important tools for organizations doing on-the-ground voter registration work.

After signing up, decide which of the free [communications](#), [field](#), and [support](#) resources, including [stickers and commemorative 10-year anniversary posters](#), your organization will use to spread awareness about the holiday and get folks excited about voter registration.

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# Nonprofit VOTE Webinar

[Comprehensive Voter Engagement: Making Meaningful Connections](#)

**Wed., Sept. 7, 2:00 pm Eastern**

You still have plenty of opportunities to engage in nonpartisan voter registration activities! Meaningful interactions, face-to-face outreach, and digital tools can be your next steps in engaging voters. This webinar will train staff and volunteers how to engage voters in simple, nonpartisan, and gratifying ways. [Register now!](#)

## Advocacy in Action

### *Promoting Democracy*

## Nonprofits Promoting Democracy and Nonpartisan Engagement

Nonprofits have, as of today, 63 days until the November 8 elections to engage their staffs, boards, volunteers, clients, and others in nonpartisan ways to promote civic engagement through voting. All seats in the U.S. House of Representatives and 35 in the U.S. Senate are up for election, while approximately 85 percent of [state legislative seats](#) (6,278) will be decided, as well as thousands of local elected officials. These are all positive opportunities for nonprofits to share their priorities and build relationships without taking sides over which candidates for elected office should and should not be elected. Some of the recent and upcoming activities around the country demonstrate the nonpartisan role nonprofits can and do play in their communities.

[Continue reading about nonprofits promoting democracy](#)