



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/nonprofit-champion-january-29-2024>

# **Nonprofit Champion | January 29, 2024**

***Free Nationwide Nonprofit Webinar***

***Tomorrow, Tuesday, Jan. 30 at 3:00 pm Eastern***

**FREE WEBINAR**

# Accessing Remaining COVID-Relief Funds **BEFORE IT IS TOO LATE**



**January 30  
3:00PM Eastern**



**Wally Adeyemo**  
Deputy Secretary of  
the Treasury



**Jessica Mendieta**  
Policy Associate,  
NCH



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VP Gov Affairs,  
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## **Access Remaining COVID-Relief Funds Before It Is Too Late**

The clock is ticking. Tens of billions of dollars are still available for charitable nonprofits, but only if state and local governments commit to spending those funds on nonprofits (as opposed to elsewhere) by the end of 2024. Otherwise, the federal government may claw back uncommitted funds. The networks of the National

Council of Nonprofits are hosting a special, nationwide webinar to make sure charitable nonprofits know they are eligible for these resources and know how to access them before it's too late.

Joining us will be **Treasury Deputy Secretary Wally Adeyemo** to kick off the discussion of how nonprofits can access remaining Coronavirus State and Local Fiscal Recovery Funds made possible through the American Rescue Plan Act. He and other speakers will address the availability of these funds, priorities that deserve special attention, and examples of what works. The one-hour event will be held on **Tuesday, January 30 at 3:00 pm Eastern.**

[Register Now](#)

## Federal

### Tax Bill on the Move

The House could soon take up and pass tax legislation to expand the refundable child tax credit, restore three tax benefits for businesses that had been repealed or reduced in the 2017 tax law, [remove tax liability for payments to victims](#) of recent natural and manmade disasters, and increase subsidies for affordable housing. The bill's projected costs to the Treasury of about \$78 billion would be mostly offset by stopping fraudulent claims of the Employee Retention Tax Credit (ERTC), suspending claims after Jan. 31, extending the time for the IRS to pursue invalid claims, and establishing penalties. The measure, the [Tax Relief for American Families and Workers Act of 2024 \(H.R. 7024\)](#), was approved overwhelmingly by the House Ways and Means Committee by a vote of 40 to 3.

**Charitable Giving Incentive Not Included. Yet.** The Committee-approved bill does not include restoration of the non-itemizer (universal) charitable deduction, an expired incentive that had provided taxpayers claiming the standard deduction the opportunity to get a tax break for donating to the work of charitable organizations. House leadership is under pressure to bring up the legislation under a procedure that doesn't permit amendments. This means that any chance of adding a non-itemizer deduction to the tax legislation may have to happen in the Senate during floor debate in the coming weeks.



**ACTION ITEM:** Representatives and Senators need to hear immediately from the charitable nonprofit community. Call your [Representatives](#) and [Senators](#) today and tell them: “**The [Representative/Senator] must insist on restoration of the non-itemizer (universal) charitable deduction as a provision in any tax package under consideration.**” You can also write your [Representatives](#) and [Senators](#) to deliver the message via email.

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## Spending Plans Coming Together

After months of dysfunction and indecision, the appropriations process for the fiscal year that began on October 1, 2023, appears to be on track to be completed before the latest stopgap spending bills expire in early March. Earlier this month, Speaker Johnson and Senate Majority Leader Schumer agreed to spend \$1.7 trillion this fiscal year, the so-called “top-line” spending amount that includes funding for defense and nondefense discretionary programs. Moving forward, late last week the chairs of the House and Senate Appropriations Committees announced they have reached agreement on how the \$1.7 trillion will be divvied up among the 12 appropriations bills. This frees up the dozen appropriations subcommittees in each chamber to work out the final details; an important step, but not one that ensures a smooth path toward enactment. The House versions of many of the appropriations bills include numerous controversial provisions dealing with social policies or border provisions that could lead to a breakdown of negotiations and prevent enactment before expiration of the current stopgap measures – known as continuing resolutions.

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## Federal *FastView*

- **Legislation Would Preclude Linking Tax Exemption to Title IX:** The newly introduced *Safeguarding Charity Act* ([H.R. 7027/S. 3604](#)) would block recent court decisions that have interpreted a nonprofit's "tax exemption" as being a form of "federal financial assistance," triggering the application of several federal statutes. Under court decisions in **California** and **Maryland**, nonprofits schools and religious organizations could be required, for the first time, to comply with numerous additional laws or risk losing their tax-exempt status. Notable among those laws is Title IX of the Education Amendments Act of 1972, the federal law that prevents sex discrimination in educational facilities receiving federal funding. The proposed legislation would clarify the law and override the recent decisions by stating that nonprofit tax exemption under section 501(c)(3) is not sufficient by itself to constitute "federal financial assistance" under federal statutes.
- **2030 Census Planning:** The U.S. Census Bureau released its timeline for [2024 activities](#) in preparation for the 2030 Census. The Bureau also published its final report on the [Federal Register Notice: Soliciting Input or Suggestions on 2030 Census Preliminary Research](#), which relied on more than 8,000 public comments to develop recommendations in five categories: reaching and motivating everyone; technology; new data sources; how the Bureau will contact respondents; and respondent support services. As a result, the Bureau is initiating several projects, including enhancing external engagement with nonprofits and others, messaging for future generations, and conducting cultural competency training.

## State and Local

### *Focus on Local Governments*

## American Rescue Plan Act Investments in Nonprofits

State and local governments have only months remaining to commit to how they will spend their allocated shares of State and Local Fiscal Recovery Funds provided by the American Rescue Plan Act. If they don't use it, they lose it. Many charitable nonprofits have secured such funding, serving as role models and providing road

maps for other nonprofits to follow. For instance, nonprofits in the City of St. Joseph, **Missouri**, have until February 9 to submit proposal applications to the [Planning and Community Development Department](#) to be considered for up to \$25,000 in funding. Charitable nonprofits can participate in a grant program from the City of SeaTac, **Washington**, to [open 17 new child care centers](#) by the summer that are expected to provide services to more than 200 children in the community. Earlier this month the Loudon County, **Virginia**, Board of Supervisors authorized more than \$1.6 million in [ARPA funds for programs](#) that include a Child Care Fee Reduction program, which is on top of more than \$1.4 million in ARPA funds the County awarded to nonprofits last fall. Finally, North Branford, **Connecticut**, allocated \$50,000 for [nonprofits impacted by the pandemic](#). In announcing the program, Town Manager Michael Downes shared, “Many local nonprofits which have critical missions had their ability to raise funds or perform their functions hampered or halted by the COVID-19 pandemic. The Town Council wants to offer support to those nonprofits that have been impacted by COVID-19 and assist them in their missions.”

Learn more about accessing available funds by [joining the January 30 webinar](#) (highlighted above) and reviewing the resources at [Strengthening State and Local Economies in Partnership with Nonprofits](#).

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## State of the States, Part II

Most state legislatures are in session and governors continue to announce their policy priorities for the year. State of the State addresses and budget frameworks may include proposals of interest to nonprofits and their constituencies, including the following.

- **Caregiving: Hawai‘i** Governor Green proposed a “child dependent tax credit totaling up to \$87 million” in his [State of the State address](#). As with similar proposals in other states, this incentive could promote better pay at nonprofit child care facilities and help reduce [nonprofit workforce shortages](#). **Michigan** Governor Whitmer said that the new [Caring for MI Family Tax Credit](#) will allow people to write off caregiving expenses that include “counseling, transportation, and nursing or respite services.” She pointed out that the burden of caregiving falls “disproportionately on women and especially women of color.”

- **Environment:** The **Rhode Island** Governor's Fiscal Year 2025 budget proposal calls for general bond obligation questions for this year's ballot, one of which would include \$2 million to provide up to 75% [matching grants to nonprofits](#) to "restore or improve the resiliency of vulnerable coastal habits and river and stream floodplains." **South Carolina** Governor McMaster also called for allocating \$33 million for projects that include [disaster recovery](#) and flood mitigation efforts.
- **Taxes:** **South Carolina's** Governor called for the General Assembly to accelerate the [income tax cut](#) schedule if the revenue forecast is favorable. In his address, **North Dakota** Governor Burgum proposed the [elimination of the individual state income tax](#), claiming it could help with worker recruitment and retention efforts.
- **Workforce Shortages:** To address workforce shortages in mental health and addiction treatment, **Hawaii's** Governor announced that the state will prioritize eligibility for the [Healthcare Education Loan Repayment Program](#) for professionals in those fields. In his address, **Wisconsin's** Governor raised three areas that affect the state's workforce shortage – the child care crisis, paid family leave, and public education funding – and declared that 2024 is the [Year of the Worker](#) to reduce barriers to employment.

See [State of the States, Part I](#) in the Jan. 16 edition of [Nonprofit Champion](#) for gubernatorial priorities in **Colorado, Georgia, Iowa, New York, South Dakota, Vermont, Virginia**, and **West Virginia**.

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## ***Worth Reading***

- [Child care deserts in rural SC make it harder for families, children to succeed](#), Macon Atkinson, *The Post and Courier* (Charleston, SC), Jan. 20, 2024.
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## ***High on the Nonprofit Agenda***

# **States Advancing Government Grants and Contracting Reforms**

Nonprofits continue to advocate for government grants and contracting reforms at the state level to streamline processes, build relationships with government

partners, and produce greater impact in their communities. The following recent bills are worth following and replicating in other states:

- **Maryland:** Companion bills ([H.B. 418/S.B. 459](#)) would extend the life of the effort to reform state grants processes under the Maryland Efficient Grant Application Council by pushing back the reporting and termination dates of the Council. The bills would, among other things, create the State Ombudsperson to provide technical assistance with accessing and navigating state programs, resolve delays in the grant-making process, and collect and disseminate information on opportunities for federal, state, and local grants. Creating a nonprofit ombudsperson to help nonprofits navigate the system is a [priority of the National Nonprofit Legislative Caucus](#).
  - **New York:** Two bills ([A.2740/S.4877](#)) would ensure a timely procurement process for nonprofits contracting with the state by requiring the government to register a contract with nonprofits within 30 days of the start date or renewal date of the contract.
  - **Utah:** New legislation to [streamline state grants to nonprofits](#) would require administering agencies to make equal, quarterly disbursements and permit multi-year grants of up to five years. Progress reports, deliverables, and performance metrics would be required regularly prior to payment.
  - **Vermont:** After strong advocacy by nonprofits, a measure [originally introduced last year](#) has been amended to include a [new Working Group on State Grant Processes](#) to assess the current grant-awarding procedures and funding processes. The Working Group would be led by six nonprofit representatives selected by **Common Good Vermont**, the state association of nonprofits, and include members from the Governor's office, Legislature, Secretary of Administration and United Way. The bill also would require state-fund grant agreements to be paid within 30 days or be liable for interest to be paid from the agency's operating budget. Further, the measure would create a standard grant application form, grant agreement, and reporting forms of reasonable length in accessible languages, as well as streamlined reporting requirements and processes. The Working Group would be required to submit its analyses and recommendations to the Legislature.
  - **West Virginia:** A bill ([H.B. 4195](#)) would provide that funds required to match federal funds as funding under state grants for reporting purposes under the Grant Transparency and Accountability Act.
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# **Diversity, Equity, and Inclusion in Employment Policies**

Legislators in multiple states are seeking to curb diversity, equity, and inclusion (DEI) policies and programs in employment policies.

- **Arizona:** A bill would [prohibit the use of public monies on DEI programs](#), prohibit state and local governments from entering into or renewing contracts with businesses or nonprofits that participate in DEI programs, and defund programs that promote or adopt any theory of unconscious or implicit bias. The measure would also prohibit policies or procedures designed to influence the composition of a government's workforce on the basis of race, sex, or color. The bill defines "DEI program" sweepingly as one that requires a state or local government employee, including those at state universities and local community colleges, to attend a training, orientation, workshop, or similar activity that includes, among many other things, "describing or exposing structures, systems, relations of power, privilege or subordination on the basis of race, sex, color, gender, ethnicity, gender identify or sexual orientation."
- **Florida:** Lawmakers are considering legislation to prohibit state agencies or local governments from requiring an employee or contractor to refer to [themselves with pronouns](#) different from the person's biological sex. It would also make it an "unlawful employment practice for a nonprofit organization or an employer who receives funding from the state to require, as a condition of employment, any training, instruction, or other activity on sexual orientation, gender identity, or gender expression."
- **Idaho:** Taking a different approach, a newly introduced bill ([S.B 732](#)) in Idaho would protect gender identity and sexual orientation under the Idaho Human Rights Act.
- **Utah:** The Legislature has passed and sent to the Governor a bill prohibiting all employers from requiring any activity, examination, or training that [promotes unconscious bias or critical race theory](#) as a condition of employment, certification, licensing, or credentialing.

- [‘America Is Under Attack’: Inside the Anti-D.E.I. Crusade](#), Nicholas Confessore, *New York Times*, Jan. 20, 2024.
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## State Data Privacy Legislation Moving in the States

Concerns over the privacy of personal data collected by for-profit businesses and the lack of federal standards continue to generate legislative proposals in the states. Laws typically mandate data privacy policies, regulate use of data, and provide rights to individuals to protect their data. While nonprofits have largely been exempted from legislation and laws, state lawmakers are now applying the same requirements to them as for-profits. The following examples indicate the direction of this trend:

- **Maine:** Lawmakers have been hosting work sessions to consider two data privacy bills in Maine. One measure ([LD 1973](#)) would exempt 501(c)(3) nonprofit organizations from proposed data standards applicable to for-profit businesses that control or process the personal data of more than 100,000 consumers or at least 25,000 consumers and derive 25% of their gross revenues from selling the data. The second bill ([LD 1977](#)) would exempt entities “acting in a non-commercial context” and provide some exemptions for small businesses that either have gross revenues less than \$41 million or do not collect or process data from more than 200,000 individuals.
- **New Jersey:** This month, the Governor signed data privacy legislation ([S. 332](#)) that will apply to many nonprofits. Under the law, all “controllers” must provide certain data privacy rights to individuals whose data has been collected. “Controllers” are defined as entities that conduct business in the state, that either (a) control or process the personal data of at least 100,000, or (b) control or process personal data of at least 25,000 consumers and make revenues or receive discounts for the data. Controllers must notify users of the data and purposes of processing the data, allow individual users to opt out of processing, and correct inaccuracies upon request. A nonprofit exemption had been included in the bill as it moved through the legislative process, only to be omitted shortly before enactment. Nonprofits are contemplating corrective legislation this year to enact the exemption or limit the adverse impact on the work of charitable organizations.

- **Vermont:** A bill ([H. 121](#)) moving in Vermont would establish requirements and standards for data collectors of personal information, including nonprofits. Specifically, the legislation would provide rights to consumers to opt out of processing of personal information, require data brokers to allow a consumer to opt out, stop collecting consumer's data, delete all data in its possession about the consumer, stop selling the consumer's data. The legislation would establish the *Data Broker Security Breach Notice Act* to require data brokers to notify consumers and the Attorney General of any data broker security breach; require annual registration for data brokers; and establish penalties and streamline the process for consumers to assert their rights.

For information on how nonprofits can protect both themselves and their communities, see [Earning trust: the imperative of data privacy for nonprofits](#).

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## ***Worth Quoting***

### *On nonprofit advocacy*

- “Homelessness, food insecurity, child abuse, education and critical medical services are just some of the systemic problems nonprofits tackle through their services. Because of these organizations’ indispensable work and place in our communities, it is essential that nonprofits fully engage in advocating for the changes they want to see through the public policy process.”

— Marnie Taylor, President and CEO of the **Oklahoma Center for Nonprofits**, writing in [Essential nonprofits must be active in advocacy](#), *The Journal Record*, Jan. 22, 2024.

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## ***Worth Watching***

### *On representing charitable nonprofits*

- [How much do you know about your local nonprofits](#) (00:05:03), *Studio 701*, Jan. 18, 2024, featuring Dana Hager from the **North Dakota Association of Nonprofit Organizations**

- [Utah Nonprofits Association](#) (3:04), *PBS Utah*, Dec. 21, 2023, featuring an interview with Jill Bennett and Saru Ramanan sharing details about how the state association of nonprofits equips members with the information, training, resources, and benefits that they need to advance their missions.
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## Nonprofit Events

- Jan. 31, [Advocacy in Action](#), The Foraker Group (Alaska)
- Feb. 7, [Nonprofit Day at the Capitol](#), Kentucky Nonprofit Network
- Feb. 12, [Nonprofit Day Action Day](#), Nonprofit Association of Washington
- Feb. 13, [Nonprofit Advocacy](#), Iowa Nonprofit Alliance
- Feb. 15, [Nonprofit Day at the State House](#), Maine Association of Nonprofits
- Feb. 15, [Let's Talk About Advocacy](#), Nonprofit New York
- Feb. 16, [Session Lineup](#), Minnesota Council of Nonprofits
- Feb. 21, [Advocacy 101](#), Florida Nonprofit Alliance
- Feb. 21, Virtual Visits: [Nonprofit Day at the Capitol](#) - Virtual Visits, Michigan Nonprofit Association
- Feb. 22, In-Person: [Nonprofit Day at the Capitol](#) - In Person, Michigan Nonprofit Association

## Advocacy in Action

### Not Taking “No” for an Answer

After years of negotiations, Congress may be on the verge of enacting a package of tax breaks that would help low-income families and many businesses, but currently fails to include restoration of the [non-itemizer \(universal\) charitable deduction](#), a major priority of the nonprofit sector. Reasons for this omission have been explained as “too expensive,” not enough interest in the House, and fear of opening up the package lest a flood of additional amendments overwhelm the bill and result in no action at all. None of those excuses gives comfort to charitable nonprofits who recognize that this may be the only tax bill with a chance of making it through Congress for a year or more. The “no” heard so far harms the communities charitable organizations serve; it’s adverse to your missions. So we must ALL act.

Now.

[Read more](#)

## **Stay in the Loop**

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