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## Nonprofit Champion | April 17, 2023

Survey



### Are Nonprofit Workforce Shortages Still a Problem?

Is your charitable nonprofit struggling with unfilled vacancies, long waiting lists of people seeking services, chronic burnout, and other challenges? Or is the nonprofit workforce shortages crisis a thing of the past? The entire charitable sector needs to know.

A [major survey and report in late 2021](#) identified the scope of the problems related to nonprofit workforce shortages and identified public policies and practical solutions that have helped organizations hire and retain the staff they need to advance their missions. We invite you to complete the updated survey and help the nonprofit sector tell its story.

**[TAKE THE SURVEY](#)**

Federal

# Not Yet Serious About Getting Serious

Congress returns from its Passover/Easter Recess with looming deadlines and no clear plan of action. In the coming weeks, Washington will begin to get noisy with chatter about the end of pandemic-related programs, the debt limit, and federal spending. The declaration of the pandemic public health emergency officially ends on May 11, creating enormous confusion over which and when support programs phase out for millions of people. [See this analysis](#) of what is and isn't known, and the likely impact on charitable nonprofits and the communities they support.

The obligation of Congress to raise the debt limit – the ceiling on how much the federal government can borrow – so far is only getting lip service from the opposing camps despite the unthinkable impact that a default on loans would have on the economy, including a government shutdown and a surge in individuals rushing to charitable organizations for assistance. President Biden has called on congressional Republicans to pass a “clean” debt ceiling hike before negotiating over spending cuts. Today, in a speech [at the New York Stock Exchange](#), House Speaker McCarthy (R-CA) laid out his party's demands for negotiating an end to this fiscal stalemate. In addition to capping spending on non-defense programs in Fiscal Year 2024 and beyond, McCarty said the Republican plan would “claw back tens of billions of dollars in unspent COVID-related money,” likely including state and local funds under the American Rescue Plan Act. He also called for blocking student debt cancellation as proposed by President Biden, and instituting work requirements for some social programs. [Punchbowl News observed](#) that “House Republican leadership is throwing everything at the wall to try to get a debt-limit bill through the chamber even though it has no chance of passing the Senate.” In short, while the consequences of inaction are catastrophic, the players have not yet reached the point of getting serious.

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## ***Worth Quoting***

- “Interest rates would skyrocket, instability would occur in financial markets, and the Federal deficit would soar. The United States has a special responsibility to itself and the world to meet its obligations.”

~ President Ronald Reagan, speaking about the consequences of debt limit

brinksmanship in an [address to the New York Stock Exchange](#), Mar. 28, 1985.

- “It’s tempting to presume that only nonprofits with missions aligned with certain government programs will experience higher demands when those programs end. But history proves otherwise. People whose basic human needs are unmet don’t queue up neatly at the nonprofit that can best meet their needs. Rather, for example, people in need of food will turn to food banks if they know where one is and can get to it, but otherwise they are just as likely to turn to houses of worship or other charitable organizations hoping to find what they need.”

~ Tim Delaney, President & CEO of the National Council of Nonprofits, writing in [Pandemic Relief Is Ending, and What It Means to Nonprofits and Foundations](#), *Nonprofit Essentials*, Apr. 13, 2023.

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## **Worth Reading**

- [McCarthy’s pitch to shrink food aid drawing skepticism from fellow Republicans](#), Meredith Lee Hill, *Politico*, Apr. 16, 2023.
  - [Charities Can Join the Looming Debt Ceiling Fight!](#), Eric L. Gorovitz, Adler & Colvin, Mar. 8, 2023.
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## **FastView**

- **Charitable Giving Declining:** The long-term trend of giving by mega-donors partially covering for shrinkage in the number of total donors to charitable nonprofits may have come to an end, according the Fourth Quarter 2022 report from the [Fundraising Effectiveness Project](#). Specifically, the report finds that dollars from large donors significantly weakened in the last three months of 2022, leading to a decrease of 1.7% in money raised for the year when compared to 2021. And that’s without factoring in further losses via inflation. The report also found that donor participation dropped by at least 10%, the second straight year of significant declines. [See full report](#).
- **Child Tax Credit and Employment:** Contrary to the presumptions of some policymakers, the expanded Child Tax Credit has no effect on workforce participation of families that received the tax relief, according to a new [paper](#)

[from the National Bureau of Economic Research](#). The refundable tax credit available in 2021 provided working families with \$3,000 per child over age 6 and \$3,600 per child 6 and under. Efforts to extend the credit failed in part out of a belief that the policy discouraged parents from working. The new study did “not find strong evidence of a change in labor supply for families receiving the credit” and appears to reinforce findings from a [Dallas Federal Reserve study](#) which noted that the CTC may have in fact encouraged employment in families with at least one parent out of work.

- **PSLF Paperwork Relief Announced:** Last week the Department of Education modernized the certification process for Public Service Loan Forgiveness (PSLF) by [instituting digital signatures for employers](#) to certify eligible employment. Borrowers can use the [PSLF Help Tool](#) to fill out their form and have their employers, including 501(c)(3) charitable nonprofits, [digitally sign and certify eligible employment](#), and electronically submit the form to their PSLF servicer for processing. This small but significant change is expected to greatly reduce burdens and barriers on borrowers who were previously required to print the form, sign, and scan the documents twice – once by the borrower and once by the employer. The old process frequently [led to denial of forgiveness for minor paperwork errors](#). If they prefer, borrowers may still choose manual submission and mail the form to the Department.
- **Race and Ethnicity Data Comment Period Extended:** Members of the public have more time to submit comments in support or opposition to proposed changes to certain demographic information collected by the federal government. Specifically, the federal Office of Management and Budget (OMB) and the Technical Working Group on Race and Ethnicity Standards [extended the deadline to submit comments](#) on the [Initial Proposals for Updating OMB’s Race and Ethnicity Statistical Standards](#). That proposal would change data collection for all federal agencies, including the U.S. Census. OMB requests comments on (1) whether to combine race and ethnicity into one question for Hispanic and Latino/Latina; and (2) whether to add a Middle Eastern or North African (MENA) category. **Public comments are now due April 27.** [Submit comments on the Federal Register form](#).

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## ***Worth Quoting***

- “Oklahomans and anyone in our nation who want to donate to charities, houses of worship, religious organizations, and other nonprofits of their choice should be able to deduct that donation from their federal taxes as an incentive to give locally to help nationally.... Any amount an individual or family can give helps our nonprofits and charities. Families should be allowed to give to meet the needs in their community and have a tax write off for their donation. The more we give locally, the more we can help the most vulnerable in our communities.”

~ Senator James Lankford (R-OK), writing in [The 'charitable act'](#), Senator James Lankford (R-OK), *Pauls Valley (OK) Democrat*, Apr. 15, 2023. Senator Lankford is the lead sponsor of the [Charitable Act, S. 566](#), a bill to give taxpayers a deduction for charitable giving on federal income taxes valued at up to one-third of the standard deduction (\$4,600/individuals; \$9,200/couples).

## State and Local

### Local Governments Investing ARPA Funds in Nonprofits

Governments around the country continue to make investments in charitable nonprofits from their share of Coronavirus State and Local Fiscal Recovery Funds allocated under the American Rescue Plan Act.

- Saline County, **Kansas**, reported that [80% of their funds have been obligated](#), and highlighted that part of their funds went towards a Capital Improvements for Nonprofits Grant.
- In Iowa City, **Iowa**, the City Council voted unanimously to [award two nonprofits a total of \\$3 million](#) to expand their services by reducing waiting lists and creating more early childhood education and child care slots.
- Rockland County, **New York**, launched a \$1 million [Nonprofit Recovery Reimbursement Grant](#) that will give eligible nonprofits between \$5,000 and \$50,000 for qualifying past expenses.
- Twenty-four nonprofits in Walworth County, **Wisconsin**, were recently selected to receive \$100,000 through a [grant program](#) to “offset the negative economic impacts of the COVID-19 pandemic.”

State and local governments have until December 31, 2024, to obligate these funds and must spend them by December 31, 2026.

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## Legislation on Nonprofit Regulation

While several state legislatures have adjourned for the year, there is plenty of legislative activity on issues that impact the regulation of charitable nonprofits.

**Mississippi** has enacted a bill to [raise the audit threshold for charitable nonprofits](#) from \$500,000 to \$750,000. **New Mexico** [also enacted legislation](#) to raise the audit threshold to \$750,000, and will now require nonprofits with revenues less than \$750,000 to file a balance sheet of assets, liabilities, and income with the state. A package of [nonprofit regulatory reforms](#) in the **North Carolina** Senate would establish an online annual report process for nonprofits, simplify the process for nonprofits incorporated in other states to become domesticated in the state, create a process for other business entities to convert to nonprofit status, and require future nonprofits to have at least three board members.

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## Income and Property Taxes in the States

State lawmakers are considering a range of tax bills around the country. On income taxes, some measures signal an interest in addressing nonprofit workforce shortages and decreases in volunteerism. A bill in **Iowa** would [exempt from income taxes](#) the wages earned by employees working at nonprofits providing services for people with mental or physical disabilities. In **Maine**, a bill to [promote volunteerism and participation in AmeriCorps](#) would allow individuals to exclude a national service educational award amount from state income taxes.

On property taxes, **Arizona**'s Governor signed legislation that requires [nonprofits selling property exempt](#) from taxes to notify country officials of the change. A bill in **Montana** seeks to [repeal property tax exemptions](#) for all property totaling 160 acres or more that is eligible for US Department of Agriculture farm service agency payments. Three measures in **Rhode Island** continue that state's trend of targeting tax-exempt organizations as a source of revenue. One bill would remove property tax exemptions for [nonprofit health care facilities and institutions of higher education](#). A second would abolish the property tax exemption for nonprofit

institutions of higher education and [permit localities to impose a property tax](#) on nonprofit institutions of higher education or hospitals that are vacant lots, parking lots, or not wholly and exclusively utilized for the nonprofit's purpose. The third piece of legislation seeks to remove the property tax exemption for [property owned by an exempt health care facility](#) that is leased to, subleased to, occupied, or used by an entity, organization, or individual that is not exempt from property tax.

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## **Worth Reading**

- [Should Mass. Allow Municipalities to Require Nonprofits to Make Payments in Lieu of Taxes?](#), a pro/con debate between State Representative Erika Uytterhoeven and Jim Klocke, CEO of the Massachusetts Nonprofit Network, *Boston Globe*, Apr. 7, 2023.
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## **In Focus:**

### **Protecting Poll Workers**

Over the past two years, state lawmakers across the country have introduced [hundreds of bills that would affect voting](#) in their states. A new [focus is on protecting poll workers](#) and election officials from partisan rancor and threats of violence. Following bills enacted last year in **Colorado, Maine, New Hampshire**, and **Vermont**, additional states are now looking to increase criminal and civil penalties for intimidation or harassment against poll workers. [New Mexico](#) Governor Grisham recently signed into law a bill that would make intimidating an election employee a felony, which protects anyone from the office poll worker all the way up to the Secretary of State. More bills are pending in **Arizona, Indiana, Maryland, Minnesota, Michigan, New York, Oklahoma, Texas**, and **Wyoming**. Other proposals seek to keep personal information of election officials and their families private against online exposure, known as doxing, and institute clearer procedures at polling places. **Michigan** Secretary of State Jocelyn Benson summed up the importance of these bill, stating, "We must do more to protect the people who protect democracy."

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## **Worth Reading**

- [Iowa to spend millions kicking families off food stamps. More states may follow.](#), Kyle Swenson, *Washington Post*, Apr. 16, 2023.
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## Numbers in the News

### 60.7 million

The estimated number of people, **23.2%** of Americans, who formally volunteered with organizations between September 2020 and 2021. In total, these volunteers served an estimated **4.1 billion** hours with an economic value of **\$122.9 billion**. The share of the population that volunteered in 2021 is down from 30% in 2019.

**Source:** [Volunteering and Civic Life in America](#), AmeriCorps. Learn more at the webinar, **Community-Based Research as a Vehicle for Civic Engagement and Community Impact**, Wednesday, Apr. 26 at 3:00 pm ET. [Register now](#).

### Volunteer Today!

- April 16-22 is [National Volunteer Week](#)

### Nonprofit Events

- Apr. 18, [Advocacy and Lobbying for NY Nonprofits](#), Nonprofit New York
- Apr. 20, [IMPACT Delaware Conference](#), Delaware Alliance for Nonprofit Advancement
- Apr. 20, [Legislative Update](#), Forefront (Illinois)
- Apr. 20, [Midsouth Nonprofit Conference](#), Momentum Nonprofit Partners (Memphis, Tennessee)
- Apr. 20, [It's Time to Advocate: Tips](#), Center for Nonprofit Excellence (Charlottesville, VA)
- Apr. 21, [Nonprofit Policy Conversations](#) – Kannapolis, North Carolina Center for Nonprofits
- April 25, [Nonprofit Advocacy Day](#), Oklahoma Center for Nonprofits
- Apr. 27, [Advocacy in Action](#), The Foraker Group (Alaska)
- May 11-12, [Leadership Summit](#), The Foraker Group (Alaska)
- May 16, [Annual Caring Force State House Rally](#), Providers' Council



### **Clearing the Path to Make Volunteerism Easier**

This is National Volunteer Week, an annual recognition of the dedication and critical work of volunteers in support of people and the missions of charitable nonprofits. Due to the pandemic and multiple other factors, however, there are fewer volunteers now than in the past. Public policy can help reverse this trend if advocates take notice and take action.

[Read the full article](#)