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Nonprofit Champion | April 22, 2024

Federal

Free Nationwide Nonprofit Webinar

OMB Uniform Guidance: What the Updates Mean for Nonprofits

Thursday, May 30 from 3:30 - 4:30pm Eastern



On April 4, the federal Office of Management and Budget (OMB) released its [major rewrite of the Uniform Guidance](#), the set of common rules governing most federal grantmaking to charitable nonprofits, state, local, territorial, and Tribal governments. The newly released rewrite, which becomes effective on Oct. 1, 2024,

addresses longstanding problems in covering nonprofits' actual costs, advances equity by making grants accessible to more organizations and communities, and makes other significant reforms that will reduce bureaucratic barriers and burdens and costs of seeking, performing, and reporting on grants involving federal funds.

The networks of the National Council of Nonprofits are hosting a special, nationwide free webinar, [OMB Uniform Guidance: What the Updates Mean for Nonprofits](#), on **Thursday, May 30 at 3:30 - 4:30 pm Eastern** to make sure charitable nonprofits know about the significant improvements, and what the changes mean for their missions.

Officials with the federal Office of Management and Budget, Deidre Harrison and Steven P. Mackey, will provide an overview of the Uniform Guidance, the new revisions, and the implementation timeline. Additional experts from the National Council of Nonprofits and our networks will share real-life examples of improvements for charitable nonprofits.

[Register Now](#)

Worth Studying

- [Grants for Federal Financial Assistance \(Uniform Guidance\)](#), Office of Management and Budget, Apr. 4, 2024.
 - [The Biden-Harris Administration Finalizes Guidance to Make Grants More Accessible and Transparent for Families, Communities, and Small Businesses](#), White House news release, Apr. 4, 2024.
 - [Nonprofit Analysis of OMB Uniform Guidance Final Rule](#), National Council of Nonprofits, Apr. 4, 2024.
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Student Loans - Two Immediate Deadlines, Third Approaching

Loan Consolidation Deadline - April 30

The end of this month is the deadline for borrowers with outstanding Family Federal Education Loans (FFEL) loans -which includes parents who took out parent-student

loans (Parent PLUS) – to consolidate them into a Direct Loan; otherwise, those borrowers, including charitable nonprofit workers, will lose important benefits. FFEL loans do not generally qualify for [Public Service Loan Forgiveness](#) (PSLF); federal Direct Loans do. Borrowers have until April 30 to [submit a consolidation application via studentaid.gov](#) to not only have FFEL loans counted for PSLF, but also receive retroactive credit for past payments under the Income-Driven Repayment Account Adjustment program. See [Special Alert – Nonprofit Employees: FFEL student loan borrowers must take action for PSLF by April 30, 2024!](#) and watch this short video on [Maximizing the Benefits of the IDR Account Adjustment](#) (06:55) by the Student Borrower Protection Center for more information.

Download and Save Your PSLF Records by April 30

Beginning May 1, the [Public Service Loan Forgiveness](#) (PSLF) program will be [managed through the StudentAid.gov](#) site and no longer through a designated loan servicer, including MOHELA. After April 30, borrowers will no longer be able to access their PSLF progress, payment counts, or certified employment document records on the MOHELA borrower portal. Therefore, all borrowers in the PSLF program should immediately download all PSLF records, take screenshots, and save all correspondence for recordkeeping by April 30. . Also, the Department of Education encourages borrowers to submit their employment certification forms through the [PSLF Help Tool](#) by April 30. Starting May 1 and going through July 2024, the processing of PSLF and TEACH Grants will be paused temporarily as records are transferred. Importantly, the Department of Education states, “Payments are still due during this pause, so continue to make payments to your loan servicer.” For more details, click on the “I’m Working Toward PSLF” dropdown on Federal Student Aid’s page, [We’re Streamlining Your Loan and Grant Web Experience](#).

Proposed Debt Cancellation Plan - Comment Deadline - May 17

Last week, the Biden Administration [published a Notice of Proposed Rulemaking](#) on its [new debt cancellation plan](#) to cancel some accrued interest, automatically forgive certain qualifying borrowers in certain payment plans including [Public Service Loan Forgiveness](#) (PSLF) and other [income-driven repayment plans like SAVE](#) without requiring paperwork, and potentially lower monthly payments for certain borrowers. Some income-driven repayment plans do not cover the interest accrued each month, resulting in the borrower’s debt continuing to balloon. The plan would cancel

up to \$20,000 of the borrower's balance that had grown due to unpaid interest. Other debt would be cancelled for borrowers who have been in repayment for 20 years or more on undergraduate loans or 25 years or more on graduate loans. Public comments are due May 17. See [Biden-Harris Administration Releases First Set of Draft Rules to Provide Debt Relief to Millions of Borrowers](#). The previous debt cancellation plan was challenged and ultimately [struck down by the U.S. Supreme Court](#) last year. This plan is expected to be challenged as well.

National Data Privacy Standards Considered

Last week, the House Energy and Commerce Committee held a [hearing on data privacy proposals](#), including the recently released draft [American Privacy Rights Act](#) (APRA). APRA supporters predicted quick movement in the coming weeks. Generally, APRA would give consumers the right to access, correct, delete, and export their data, as well as opt out of targeted advertising and data transfers. Covered entities, including nonprofits, would be required to not “collect, process, retain, or transfer covered data beyond what is necessary, proportionate and limited” to provide goods and services. The draft bill identifies fifteen permitted purposes for data processing. The proposal calls for required transparency, executive responsibility, and incident response. APRA would authorize a private right of action by individuals for alleged violations.

APRA would create tougher standards for online interstate commerce and preempt the current [patchwork of state data privacy bills](#). Unlike some of the state laws, APRA includes nonprofits as “covered entities,” with some exceptions. The primary exception is for small businesses, including nonprofits, with annual gross revenues of \$40 million or less that do not annually collect data from more than 200,000 individuals and do not sell covered data to third parties. For more information see [The American Privacy Rights Act \(APRA\): Summary and Issues for Nonprofits](#).

Federal *FastView*

- **Citizenship Question Legislation:** Earlier this month, the U.S. House Committee on Oversight and Accountability [held a markup on the Equal Representation Act](#) ([H.R. 7109](#)), which would require the 2030 Census to

include a question on citizenship and immigration status. Specifically, the question would require the respondent to indicate whether each member of the household is: “(A) a citizen of the United States; (B) a national of the United States but not a citizen of the United States; (C) an alien lawfully residing in the United States; or (D) an alien unlawfully residing in the United States.” The information would be disaggregated for each state and then be used to exclude the number of noncitizens from reapportionment. The [Leadership Conference explained in a letter](#) to the Committee that the bill seeks “to achieve a clearly unconstitutional purpose” and “to amend the Constitution through legislation.” The National Council of Nonprofits [submitted an amicus brief in opposition](#) to a previous attempt to include a citizenship question on the 2020 Census, which would have led to an inaccurate count and undermined the ability of nonprofits to provide services to their communities.

- **HUD Earmarks:** Members of Congress would no longer be able to secure funding for nonprofits in their districts to perform social services using community project funding (earmarks) from the Department of Housing and Urban Development (HUD) if new procedural rules being considered by the Chair of the House Appropriations Committee are adopted. Last year, Members secured approximately \$800 million through HUD’s Economic Development Initiative grant program for nonprofits to provide housing for previously unhoused persons, shelters for victims of domestic violence, food banks, and more. Community project funding to charitable nonprofits, as well as cities, counties, other local government agencies, and colleges and universities, through the appropriations process provides Members of Congress the most direct and effective way to address urgent community challenges in their districts. If your nonprofit has received funding via HUD earmarks in the past, you may want to [call your Member of Congress](#) to tell them the impact of losing that funding would have on the community they represent.
- **Title IX Final Rule:** Last Friday, the Biden Administration released its [Final Rule under Title IX](#), which prohibits discrimination in federally funded education on the basis of sex. The final regulations aim to “protect against all sex-based harassment and discrimination,” “promote accountability and fairness,” “empower and support students and families,” as well as [prohibit discrimination based on gender identity](#), sexual orientation, pregnancy, abortion, and lactation. Discretion and flexibility are offered for school size, student

population, and administrative structures and require schools to take “prompt and effective action when notified of conduct that reasonably may constitute sex discrimination.” The Rule does not address eligibility in athletics. The Department of Education released a [fact sheet](#), [summary](#), and [resource for drafting policies](#), notices, and procedures. The new Rule is effective Aug. 1.

Worth Reading

- [Census change will lead to more data on health of Middle Eastern, North African people in US](#), Nada Hassanein, *Stateline*, Apr. 19, 2024
- [A Growing Backlash to DEI](#), Elizabeth Merritt, American Alliance of Museums, Apr. 10, 2024.



Voter Engagement

Election Tip

Remote video URL

Our new video series, **Nonprofit Nonpartisan Election Tips**, opens with our [first episode on Elections Laws](#) (4 min). Watch Tiffany Gourley Carter, Policy Counsel for the National Council of Nonprofits, interview Tsiporah Nephesh, Executive Director at **New Mexico Thrives**, the state association of nonprofits, as they explore why nonprofits should be involved in nonpartisan voter engagement activities and how to stay aware of changing election laws and requirements in the states. Then share with your networks on your communication channels!

State and Local

American Rescue Plan Act Data: Nonprofit Projects

Earlier in April, the U.S. Department of the Treasury released data on how state and local governments have used their share of State and Local Fiscal Recovery Funds (SLFRF) to advance recovery from the pandemic, including information on projects that mention charitable nonprofits. As of Dec. 31, 2023, state and local governments report that they collectively had obligated an estimated \$11.9 billion of SLFRF on charitable nonprofits, which is approximately 5.1% of their total allocated SLFRF dollars. More specifically, 1,343 state and local governments identified 4,343 projects that directly or indirectly include nonprofits. An estimated **\$89.9 billion in state and local SLFRF funds remain available for nonprofits to pursue**. This [interactive map](#) reveals the number of projects involving nonprofits and an estimate of the remaining funds by state.

Flourish

The SLFRF Final Rule makes it abundantly clear that charitable nonprofits are eligible for these funds as beneficiaries and providers of services on behalf of governments. However, nonprofits are not automatically entitled to these funds, so advocacy is essential to secure investments before the end of the year. For more on the SLFRF allocations to nonprofits, including examples of nonprofit projects and how to advocate for remaining funds, see [State and Local Fiscal Recovery Funds: Nonprofit Projects through December 31, 2023](#).

Worth Reading

- [Duncan nonprofits to receive ARPA grant from Oklahoma Arts sector](#), *The Duncan Banner*, Apr. 11, 2024.
-

State Government Grantmaking and Contracting - Update

Reforming government-nonprofit grantmaking and contracting processes continues to be a hot legislative trend for 2024 in several states.

- **California:** Two new bills would discourage governments from contracting out public (union-represented) jobs by adding new reporting and disclosure requirements. One bill ([A.B. 2489](#)), relating to a wide variety of “special

services,” would require local governments to provide employee unions with ten months' notice before starting the procurement process for contracting with outside workers and 90 days' notice before seeking a temporary help firm to fill vacancies during peak periods. The second measure ([A.B.2557](#)) includes most of the provisions in the first bill and adds quarterly quality performance reports and performance audits.

- **Kentucky:** A government grants and contracts reform bill ([H.B. 777](#)) that would have helped nonprofit service providers and other contractors working with the state failed to pass this year. The bill would have required prompt payment policies and procedures for payments and reimbursement and dispute resolution, imposed a 1% interest penalty for late payments, required notice of nonpayment, and made loans, lines of credit, revolving credit, or other finances accrued and interest for nonpayment reimbursable. Supporters expect to push these reforms again next year. Learn more about the bill from the [Kentucky Nonprofit Network](#).
- **Maryland:** The Governor signed companion legislation ([H.B. 418/S. 459](#)) to create a State Ombudsperson position tasked with providing technical assistance with accessing and navigating state programs, resolving delays in the grantmaking process, and collecting and disseminating information on opportunities for federal, state, and local grants. The concept for this bill came out of discussions among state legislator members of the [National Nonprofit Legislative Caucus](#).
- **Vermont:** A newly introduced bill on Government Oversight and Accountability ([H.B. 702](#)) would create a Working Group on State Grant Processes, a concept pushed by nonprofit advocates in previously introduced legislation ([H.B. 140](#)). The Working Group would be charged with assessing the state's current grant awarding procedures, funding levels, cost of living and other inflationary adjustments, bridge loan options, alternative mechanisms for meeting funding needs, uniform best practices, reimbursements, possible system improvements, streamlining and simplification processes, state and federal indirect cost rates, and late awards. The Working Group would include six nonprofit representatives selected by **Common Good Vermont**, the state association of nonprofits.

Lawmakers Pass Positive Employment Policies

As nonprofits continue to struggle with the sector's ongoing [workforce shortage crisis](#), state policymakers are pushing employment policies to help alleviate some of the burdens.

- **Kentucky:** With the Commonwealth [facing a severe child care crisis](#), the Governor signed a series of bills to support working parents and caregivers. The first is an economic development bill that requires the establishment of a Certified Child Care Community Designation Program to create new opportunities for local governments to [increase child care and early childhood education services](#). The second bill [expands access to paid family leave](#) by treating the benefit as health insurance. Specifically, the measure would [authorize insurers to transact disability](#) income insurance and paid family leave insurance. The third requires newly formed government councils to work together to [establish a Certified Child Care Community Designation Program](#) for opportunities to increase child care and early childhood education services.
- **Maryland:** In response to the [devastating Baltimore Key Bridge collapse](#), lawmakers, nonprofits, and community leaders quickly organized to support and pass the Maryland Protecting Opportunities and Regional Trade (PORT) Act ([H.B. 1526](#) / [S.B. 1188](#)) that authorizes programs to provide assistance to individuals and certain entities impacted by the reduced port operations. Among other things, it authorizes the Secretary of Labor to waive charging benefits to employers for temporary unemployment claims and excludes payments and tuition assistance to family members or individuals injured or killed during the collapse.
- **Nebraska:** The Governor signed into law two bills to address child care providers in the state. The first [exempt nonprofit child care facilities](#) from property tax, permit child care licensees to obtain dual licenses to comply with attendance requirements, reduce time periods for liability insurance requirements, streamline background checks, and prohibit residency requirements. Another bill [removes income eligibility restrictions](#) on child care providers to receive child care subsidies.

Worth Quoting

On Nonprofit Partnerships

- “Historically, I think the work that our nonprofits are doing has been seen more as charity or philanthropy, right? But these are essential city services. Our human service contractors are providing essential city services to the people in our community who need them the most.”

— Melissa Green, chair of the Columbus, **Ohio**, City Council Health, Human Services and Equity Committee in [Columbus allocates millions for human service nonprofit organizations](#), Kennedy Chase, *Spectrum News 1*, Apr. 10, 2024.

- “We’ve made the biggest investment in our nonprofit mental health providers in the history of the state. It’s making a difference. We’re offering operating support for our nonprofits in addition to what we are doing in terms of supportive housing, and making sure that everybody can be all that they can be.”

— **Connecticut** Governor Lamont in [Lamont Announces Funding For Nearly 100 Nonprofits](#), Jamil Ragland, *CT News Junkie*, Apr. 11, 2024.

- “The nonprofits have been absolutely crucial to our success. They have been out there going day and night ... then doubling back. What can we do? They’ve got to go nonstop.”

— Jon Ewing, communications specialist, Denver Human Services, in [Denver is relying on nonprofits to help feed new immigrants, and it’s been tough, unpredictable work](#) *Denverite*, Apr. 12, 2024, referencing how important nonprofits are providing services to aid to the immigrant influx into the City.

Worth Studying

- [Colorado Nonprofit Economic Impact Report](#), **Colorado Nonprofit Association**, Philanthropy Colorado, Community Resource Center, and Denver Human Rights & Community Partnerships, April 2024.

Numbers in the News

4,343

The estimated number of State and Local Fiscal Recovery Fund projects that include nonprofits as of Dec. 31, 2023, according to data published by the U.S. Department of the Treasury.

Source: [Public Data: State and Local Fiscal Recovery Funds](#), U.S. Department of the Treasury, April 2024.

2.8 percent

The decline in total charitable giving in 2023 compared to 2022, according to the latest [report from the Fundraising Effectiveness Project](#). Data also show a 3.4 percent decline in the number of donors.

Source: [Year-End Challenges in Q4 2023 as Fundraising Metrics Decline](#), Association of Fundraising Professionals, Apr. 7, 2024.

Nonprofit Events

- Apr. 24, [Rally for Nonprofit Funding](#), CT Community Nonprofit Alliance.
- Apr. 24, [Allies for Good at the State House](#), Together SC.
- Apr. 30, [Impact Delaware Conference](#), Delaware Alliance for Nonprofit Advancement.
- May 14, [Washington State Nonprofit Conference](#), Nonprofit Association of Washington.
- May 14-16, [Wyoming Nonprofit Conference](#), Wyoming Nonprofit Network.
- May 16, [NH Nonprofit Conference & Expo](#), New Hampshire Center for Nonprofits.
- May 22, [12th Annual Caring Force Rally](#), Providers' Council (Massachusetts).
- May 29-30, [NDANO 2024 Nonprofit Leadership Conference](#), North Dakota Association of Nonprofit Organizations.

Advocacy in Action

How to Rally Support for Nonprofits

Charitable nonprofits can, should, and do advocate for their missions year-round. In fact, everyday advocacy occurs in multiple forms: advocating with donors to make a contribution, advocating with friends and neighbors to support the nonprofit as volunteers, advocating with talented people to work full-time for the nonprofit, and much more - including advocating with government officials for the best public policies. Advocacy is as natural as breathing when it comes to people working with nonprofits. One effective way to advocate on a policy matter is for nonprofits to help the community shown it is unified through organizing rallies of like-minded people.

[Read more](#)

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