

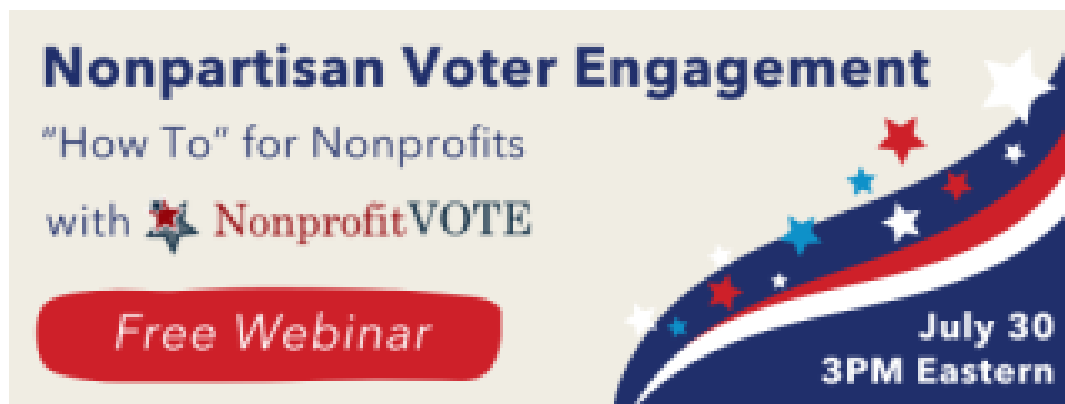


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## Nonprofit Champion | July 29, 2024

*Join the Free Webinar*



In connection with the release of the new [Nonprofit Voter Engagement Guide](#), the National Council of Nonprofits and Nonprofit VOTE are delighted to present a free webinar: [Nonpartisan Voter Engagement “How To” for Nonprofits](#). In this 45-minute webinar, attendees will get an in-depth look at how nonprofits can navigate election activities while remaining nonpartisan.

Join our national webinar tomorrow, **July 30, 2024 at 3:00pm Eastern** to learn why and how nonprofits should do nonpartisan voter engagement between now and Election Day using the Nonprofit Voter Engagement Guide. Find out how easy it is to register eligible voters, share reliable information on polling places and voting, and engage with candidates in a nonpartisan way.

[Register now](#)

## Federal

### Congress Enters Summer Doldrums Early

The House has left DC one week early for an extended “August Recess,” not planning to return to legislating until after Labor Day. The Senate remains active this week focusing on whittling away at the backlog on nominations and passing bipartisan child online protections and privacy bills. Conventional wisdom holds that the most (or only) substantive action from Congress between now and the elections will be to pass a stopgap spending bill – called a Continuing Resolution or “CR” – to fund the federal government into December or even January. All other activities, presumably, will be partisan posturing. Yet, nonprofits have the opportunity to influence legislation in the coming months by meeting with elected federal officials and candidates this August and throughout the campaign season – while they are listening to what constituents care about. See [Advocacy in Action](#), below, on how you can [continue to advance your mission during the August Recess](#).

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### Judicial Review of Regulations: Next Steps

As has been widely reported, the Supreme Court’s [Loper Bright](#) decision reversed a 40-year rule that required judicial deference to the subject matter expertise of federal departments and agencies when interpreting statutory requirements through regulations. See the [NCN analysis on the impact on charitable nonprofits](#). Lawmakers from both parties are taking action to exploit or curb the new approach giving courts wider discretion to reject administrative interpretations of statutes in which Congress may have failed to adequately express its intent. This month, the top Republican on the Senate Health, Education, Labor, and Pensions Committee [introduced a bill](#) to create more hurdles for agencies – such as requiring officials to testify before relevant committees and improving cost-benefit analyses – before their rules can be published. Going in the opposite direction, legislation from Senator Warren (D-MA), the ["Stop Corporate Capture Act"](#), would grant agencies more power to proceed with rulemaking in line with a "reasonable interpretation" of statutes. The

bill would also allow agencies to reinstate rules that were overturned by Congressional Review Act resolutions. Neither bill is expected to be enacted this year, but the polar-opposite approaches to the Court ruling indicate that the question of judicial review will rage for years and will be a key issue in the upcoming elections.

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### ***Worth Quoting***

- “Bottom line: Many observers believe that Loper Bright will impact all three branches of the federal government. Congress is expected to draft more detailed legislation and strive to make 'legislative intent' clearer and less ambiguous. Courts will become more active in interpreting and potentially nullifying administrative actions. Executive branch departments and agencies will become deliberate in issuing the necessary guidance that interprets legislation.”

— [What Does the End of the “Chevron Doctrine” Mean to Charitable Nonprofits?](#), Steven M. Woolf, Nonprofit Champion, July 15, 2024, updated July 29, 2024.

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### ***Worth Reading***

- [A bigger, bolder Congress? Panel debates how to respond to end of Chevron deference](#), Jim Saksa, Roll Call, July 23, 2024.
  - [What Overturning Chevron Means for the Way Congress Does Its Business](#), K&L Gates law firm, July 18, 2024.
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## **Federal FastView**

- **ERTC Claims and Enforcement Actions Moving Again:** The Internal Revenue Service has completed its review of legal and operational challenges causing the backlog of claims under the Employee Retention Tax Credit (ERTC) program and announced that it will re-start processing claims. Having completed an extensive review, IRS Commissioner [Werfel said in a statement](#), “We will now use this information to deny billions of dollars in clearly improper

claims and begin additional work to issue payments to help taxpayers without any red flags on their claims.” The IRS identified five “red flags” that it considers signs of an incorrect claim: claims from essential businesses that probably didn’t shut down during the pandemic; employers who are unable to show how a government order forced a shutdown; claims for family members’ wages; overlap of ERTC and Paycheck Protection Program claims; and claims from ineligible large employers. Low-risk claims, as in those not triggering these and previously announced concerns, will now be processed by the IRS.

- **Arts Funding Victory:** While federal spending plans are mostly on hold until after the elections, nonprofit advocacy victories are worthy of note. Last week, the arts and cultural communities in the charitable sector recorded major success in securing bipartisan congressional support in defending arts funding. A member of the House Freedom Caucus proposed amendments to cut funding to the National Endowment for the Arts and National Endowment for the Humanities by \$48 million each. Thanks in part to a nationwide grassroots effort, both amendments were soundly defeated, one by voice vote, and the other by a recorded vote of 269-to-147.
- **Gauging American Generosity:** A new [landscape analysis of charitable giving data and experiences](#) finds a mix of good and bad news, best described as a “dollars up, donors down” phenomenon. It is well documented that the share of U.S. households reporting donating to charitable nonprofits has dropped, going from 65.4% of household in 2008 down to less than half (49.6%) in 2018. Notably, the decline in donor participation has been concentrated within a few demographics, especially those with “lower levels of education, income, and/or wealth.” Total giving, however, had risen in nominal dollars over the same time period. The report notes that “more and more giving, at least to nonprofit organizations, has been coming from a smaller pool of wealthy donors.” The top-heaviness of charitable giving has become a source of concern to many civil society observers for a host of reasons. The landscape analysis is part of an upcoming final report from the [Generosity Commission](#).

- **Charitable Giving and the 2017 Tax Law:** Scholars at the American Enterprise Institute examined the impact of the 2017 federal tax law on charitable giving; the results are not positive. In [How the 2017 Tax Law Made Itemized Charitable Giving a Luxury Good](#), the authors found that the share of taxpayers choosing to itemize deductions dropped precipitously after passage of the Tax Cuts and Jobs Act and that the average share of total adjusted gross income (AGI) devoted to itemized charitable giving fell by 28%. They note that total itemized giving increased by \$26 billion (11%), in 2021, but explain that increases in donations from high-income individuals more than offset the sharp decline in itemized deductions from taxpayers in lower tax brackets. As a solution, they state, “The most obvious fix is restoring the 2020-21 above-the-line charitable tax deduction.”
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## ***Worth Quoting***

- "Nonetheless, the fact that the charitable tax incentive is now reserved for a thin slice of the US population – the most affluent – can also be seen as a matter of tax justice worth revisiting. The financial incentives embedded in the tax code inevitably, if implicitly, send messages to taxpayers – and a message that only the rich get a tax break from charitable giving is not a socially healthy one."

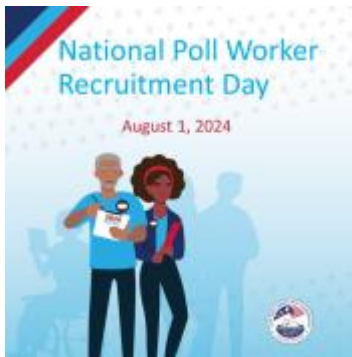
— [How the 2017 Tax Law Made Itemized Charitable Giving a Luxury Good](#), Howard Husock and Edmund J. McMahon, American Enterprise Institute, July 2024.



**Voter Engagement**

## ***Election Tip***

# **National Poll Worker Recruitment Day**



Did you know that [National Poll Worker Recruitment Day](#) is this Thursday Aug. 1, 2024? The National Day of Action established by the U.S. Election Assistance Commission inspires civic engagement and encourages people to sign up to support their communities. More than half of jurisdictions have difficulty recruiting poll workers, a vital aspect of ensuring our elections run effectively, efficiently, and smoothly.

[Learn more and sign up now](#)

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## ***Worth Reading***

- [Nonprofits must stay above the political fray](#), Marnie Taylor, President and CEO of the Oklahoma Center for Nonprofits, *The Journal Record* (Oklahoma City), July 12, 2024.

## **State and Local**

### ***Update on State and Fiscal Recovery Funds***

## **Unfair Share: Nonprofits Have Not Yet Received Enough SLFRF Dollars**

Charitable nonprofits only have a few months left to advocate for remaining State and Local Fiscal Recovery Funds (SLFRF) made available through the American Rescue Plan Act. Newly released data show that while many state, local, and territorial governments have partnered with nonprofits through direct relief

programs and by hiring them as providers of services, more than 95% of SLFRF dollars have gone to other entities. But at least \$86 billion in funds remain ready to be invested in the missions of charitable nonprofits, if organizations take action. This analysis of data published by the U.S. Department of Treasury shows which governments have been active nonprofit partners, provides examples of programs and projects funded by SLFRF, and shares tips on how nonprofits can still secure funding.

[Read the full analysis](#)

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## Nonprofit Workforce Shortages: Updates and Solutions

Since 2021, there has been extensive coverage of the [nonprofit workforce shortage crisis](#), the consequences to nonprofits not having enough staff to carry out their missions, and proposed solutions to make sure nonprofits can continue providing services in their communities. State-specific information helps nonprofits assess local trends and how to advocate for solutions at the state and local levels.

### Documenting the Challenge

The **Nonprofit Association of Oregon** recently released a [study on wages](#) in the state's social services nonprofits. The findings show that 8 out of 10 nonprofit workers who leave the sector head for work in the private sector. A key driver is the wage gap between the nonprofit sector and the public and for-profit sector. The **Nonprofit Association of the Midlands'** [Nonprofits Salary and Benefits](#) report found that the average yearly turnover rate among nonprofits in Nebraska and Iowa is 29%. Anne Hindery, CEO of the state association of nonprofits, observed, "We're still seeing shortages in things like behavioral health therapists, childcare workers, accountants that understand nonprofit accounting."

### Solutions and Initiatives

The report from Oregon recommends that as a standard practice that government grants and contracts with nonprofits include cost-of-living adjustments so the nonprofit wage gap doesn't grow over time. Elsewhere, several programs and

initiatives are being implemented to address workforce shortages in other sectors. **Maryland** [eliminated degree requirements](#) for most public sector jobs in the state in 2022. Since then, 15 states have implemented similar steps. To improve and support behavioral health services in Montana's Native American communities, the state allocated \$6.5 million in grants to tribal nations and urban Indian health organizations. The Virginia G. Piper Charitable Trust awarded [Arizona State University](#)'s Watts College of Public Service and Community Solutions a \$750,000 grant to "increase local nonprofits' capacity to serve society with a robust, next-generation workforce."

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## **Worth Quoting**

- "Employers often screen out millions of applicants before potential employees ever get to even show their skills... In this U.S. labor market, we're excluding even more than we ever have."

— Courtney Haynes, Chief Engagement Officer at Opportunity@Work, [In Hunt for Workers, Some States Value Skills Over Degrees](#), National Conference of State Legislatures blog, Jan. 15, 2024, explaining that employers are removing degree requirements, which moves employment to skills-based hiring.

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## **Trendspotting: Employment Policies**

Jurisdictions have enacted a wide array of employment policies affecting nonprofit workplaces in recent months. Alaska now has a [state child care tax credit](#) for expenditures made to operate a child care facility in the state for children of an organization's employees. A new Rhode Island law establishes the [Rhode Island Secure Choice Retirement Savings Program](#) to allow retirement savings in individual accounts for eligible employees of eligible employers, including nonprofits, and their beneficiaries. Revisions to the North Carolina law on employer-provided health plans streamline and improve plan documentation and opt-out rights. Puerto Rico's Governor [signed into law](#) a bill that "prohibits discrimination against people wearing Afros, curls, locs, twists, braids and other hairstyles." Finally, a bill on the Massachusetts Governor's desk would require employers with 25 or more employees to [disclose a salary range](#) in job postings and protect applicants and employees



when inquiring about salary ranges in the hiring process and when seeking pay increases.

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### **Worth Reading**

- [Why Biz Groups Say Tax Credits Aren't Enough to Solve Pa.'s Child Care Crisis](#), *Spotlight PA*, July 24, 2024.
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### **Worth Listening**

- [Nonprofits need timely state contract authorizations](#) (13:59), David Lombardo, The Capitol Pressroom, July 22, 2024, featuring Megan Allen, CEO of the New York Council of Nonprofits, discussing challenges with government grants and contracting practices and legislation to address them.
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### **Worth Watching**

- [PANO's 40th Anniversary: An Interview with Founding Board Member Don Kramer](#) (4:00), Pennsylvania Association of Nonprofit Organizations.
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## **Numbers in the News**

### **7.5%**

The average percentage of taxpayers itemizing deductions from 2018 to 2021, following the enactment of the 2017 Tax Cuts and Jobs Act, a drop from the 30% average from 2010 to 2017.

Source: [How the 2017 Tax Law Made Itemized Charitable Giving a Luxury Good](#), Howard Husock and Edmund J. McMahon, American Enterprise Institute, July 2024.

### **46**

The number of states represented in the 2024 Olympic Games in Paris. As is the norm this millennium, women athletes (315) outnumber men athletes (279).

California is sending the most (120) while Vermont is sending the most athletes per capita (4.63 per million).

Source: [Hometown Heroes: Who Is Representing Team USA at the Summer Games in Paris?](#), Anthony Calabrese, U.S. Census Bureau, July 26, 2024.

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## Nonprofit Events

- Aug. 13, [Summer Joint Policy Forum](#), New Jersey Center for Nonprofits .
- Aug. 14, [Town Hall: Nonprofit Voter Engagement](#), Montana Nonprofit Association .
- Aug. 14-15, [Nonprofit Advocacy: Using Values-Based Narratives](#), Minnesota Council of Nonprofits .
- Aug. 15, NAO Policy Lab: [Are Wages Suppressed in the Nonprofit Social Services Sector?](#), Nonprofit Association of Oregon .
- Aug. 22, [Making Advocacy Actionable](#), Maine Association of Nonprofits.
- Aug. 27-28, [Idaho Nonprofit Conference](#), Idaho Nonprofit Center .

## Advocacy in Action

### Advancing Mission During the August Recess

Representatives and Senators will be on recess and away from Washington, DC, until after Labor Day. Most go back to their districts and states for much of the time.

Nonprofit missions won't be on hiatus in August, however, and public policy needs will continue even while lawmakers are taking a break from hands-on legislating. There's an opportunity waiting to be seized: Meet with your elected officials in the coming weeks - while they are home!

[Read the full article](#)

## **Stay in the Loop**

Want to be the first to know policy developments and operational trends affecting nonprofits? Sign-up to receive our free newsletters, Nonprofit Champion and Nonprofit Essentials, and browse the archive of past editions.

[Sign-up](#)