



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

Original URL: <https://www.councilofnonprofits.org/trends-and-policy-issues/federal-state-budgets/state-budget-and-spending>

# State Budget and Spending

## Why It Matters

Nonprofits work in every community, whether caring for returning soldiers, educating children, rebuilding cities, training the workforce, nursing the sick, supporting our elders, elevating the arts, mentoring our youth, protecting natural resources, nurturing our souls, and much more.

As front-line providers of services and as organizations grounded in their communities, charitable nonprofits have a stake in the strength and well-being of the economy and of governments at all levels. Conversely, given the vital role nonprofits play in both the economic and social well-being of our nation, society has an equally strong stake in ensuring that our nonprofits are healthy and able to fulfill their missions in support of the public good.

## Where We Stand

The Council of Nonprofits opposes arbitrary and across-the-board budget cuts at any level of government and will work to inform policymakers of the impact of budget proposals on communities. The Council of Nonprofits likewise opposes policies or gimmicks that institutionalize restrictions on lawmakers' fiscal options.

The National Council of Nonprofits opposes the offloading of government services onto nonprofits without paying nonprofits the cost of providing these services. When federal, state, and local revenue is reduced, nonprofits providing public services through grants and contracts with government typically receive disproportionate cuts.

- [Public Policy Agenda](#)

## Status

States periodically reform their budget or taxing process. The network of the National Council of Nonprofits works to ensure that these decisions do not disproportionately hurt the work of nonprofits and the communities they serve. This includes funding and spending levels for government programs performed by nonprofit service providers and also tax reforms that decrease charitable giving incentives.

## Additional Resources

- [State Budget Crises: Ripping the Safety Net Held by Nonprofits](#), National Council of Nonprofits Special Report, March 2010
- [National Association of State Budget Officers](#)
- [Center on Budget and Policy Priorities](#)

## Key Issues

[Read about State Charitable Giving Incentives](#)

## State Charitable Giving Incentives

The tax laws in many states encourage individuals to give to charitable organizations whose missions they support by providing an itemized deduction or tax credit.

[Read about Mandatory Volunteerism](#)

## **Mandatory Volunteerism**

Mandatory volunteerism is a mandate on an individual to volunteer, sometimes called “community engagement” or “community service,” with a nonprofit to be eligible for certain government benefits.

[Read about Taxpayer Bill of Rights \(TABOR\)](#)

## **Taxpayer Bill of Rights (TABOR)**

A Taxpayer Bill of Rights (TABOR) measure is a state budget and tax-policy process that limits growth of state and local revenues to a restrictive formula.