



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

Original URL: <https://www.councilofnonprofits.org/nonprofit-champion-september-5-2023>

Nonprofit Champion | September 5, 2023

Federal

Shutdown Showdown Looming

The Senate returns today from a five-week recess and the House comes back next week, on September 12, leaving only 11 days in session to resolve serious spending and policy disputes that could result in a federal government shutdown when the month ends. The Senate Appropriations Committee has approved all 12 of its spending bills on a mostly bipartisan basis, but exceeding the caps approved this summer in the *Fiscal Responsibility Act* by \$13 billion. In the House, the Appropriations Committee has only approved one of its bills due to significant disagreements within the Republican caucus over spending levels – the draft bills currently cut spending by \$100 billion from what was approved – and the inclusion of severe social policy provisions. More conservative Republican members have said they will not support a short-term spending bill, known as a Continuing Resolution or “CR,” to keep the government open unless the House [significantly cuts spending and secures passage](#) of controversial policy riders.

On top of the existing budget disputes, last month the Biden Administration sent a letter to Congress requesting [\\$40.1 billion in emergency spending](#) for Ukraine, disaster relief, food assistance, and more. Normally, emergency spending provisions would hitch a ride on a Continuing Resolution, but the looming showdown could mean that Congress fails to approve \$16 billion to [replenish the natural disaster relief program](#) and the requested \$1.4 billion in the Women and Infant Child (WIC) food program to [prevent substantial benefits](#) cuts set to start in October.

Worth Reading

- [Poor families could see cuts to food aid as Congress battles over budget](#), Tony Romm, *Washington Post*, Sept. 3, 2023.
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Worth Watching

- [Nonprofits counting on replenished FEMA funding for future disasters](#), *WPTZ-BUR* (NBC) (Burlington, VT), Sept. 4, 2023.
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Upcoming Deadlines

Advancing Your Mission Through Advocacy

- **Fri. Sept. 8:** Submit response to request for information about politicalization of nonprofits
- **Fri. Sept. 8:** Sign letter opposing cuts to AmeriCorps
- **Tues. Sept. 19:** Partner in the nonpartisan National Voter Registration Day to help ensure every eligible person is #VoteReady
- **Tues. Nov. 7 (est):** Submit public comments to DOL's proposed changes to overtime rule

(see details for each below)

DOL Proposes Changes to Overtime Rule

The U.S. Department of Labor has [announced proposed new regulations](#) designed to update and revise overtime protections for millions of workers employed by nonprofits, for-profits, and governments. The draft regulations, which will not go into effect (if at all) until after a period of public comment and analysis, would increase the minimum salary level that executive, administrative, and professional employees must be paid (from \$35,568/year to \$55,068/year) to exempt them from overtime pay of time and half of wages for hours worked in excess of 40 in any week. The Labor Department is also proposing raising the minimum salary level for “highly compensated employees” from \$107,432/year to nearly \$144,000/year, and establishing a mechanism for automatically raising these salary levels in the future. The Department is not proposing changes to the duties tests for white collar employees. The overtime salary thresholds were last hiked at the beginning of 2020. The proposed rule is open for public comment until on or about **November 7, 2023**. See the National Council of Nonprofits’ analysis, [DOL Proposed Overtime Reforms and the Impact on Nonprofits](#), and review these [tips for preparing your comments](#).

Worth Reading

- [Notice of Proposed Rulemaking: Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees](#), U.S. Department of Labor, Aug. 30, 2023.
 - [Frequently Asked Questions About the Proposed Rule](#), U.S. Department of Labor, Aug. 30, 2023.
 - [Press Release: Department of Labor Announces Proposal to Restore, Extend Overtime Protections for 3.6 Million Low-Paid Salaried Workers](#), U.S. Department of Labor, Aug. 30, 2023.
 - [DOL Proposed Overtime Reforms and the Impact on Nonprofits](#), Sept. 5, 2023.
 - [Don’t Panic \(Yet\): What Your Nonprofit Needs to Know About the \(Latest\) Proposed FLSA Overtime Rule](#), North Carolina Center for Nonprofits, updated Aug. 31, 2023.
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Communities Suffer as Nonprofit Workforce Shortage Crisis Continues

**2023****Nonprofit Workforce
Survey Results**Communities Suffer as the Nonprofit Workforce
Shortage Crisis Continues

Charitable nonprofits are still enduring a shortage of employees, which is imposing considerable hardships on the public, according to a new report, [2023 Nonprofit Workforce Survey Results: Communities Suffer as the Nonprofit Workforce Shortage Crisis Continues](#). The report, released by the networks of the National Council of Nonprofits, finds that workforce shortages are reducing nonprofit capacity and leading to longer waiting lists for services, reduced services, and sometimes the complete elimination of services needed by the public. It reveals that the hardest jobs to fill are those that interact with the public: program and service delivery positions and entry-level jobs.

[Read the Report](#)

Worth Reading

- [Nonprofits Can't Find Workers Despite Flex Jobs and Pay Boosts, Report Says](#), Drew Lindsay, *Chronicle of Philanthropy*, Aug. 30, 2023.
 - [NCN Survey: Job Vacancies Pushing Services To The Limit](#), Paul Clolery, *The NonProfit Times*, Aug. 30, 2023.
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Deadline Extended for Responses on Efforts to Politicize Nonprofits

Last month, Republican leaders of the House Ways and Means Committee published a “request for information” about “political campaign intervention” by 501(c)(3)

charitable nonprofits and 501(c)(4) social welfare organizations. See [news release](#) and [full 13-page request for information letter](#). Committee Chair Jason Smith (R-MO) and Oversight Subcommittee Chair David Schweikert (R-AZ) are asking the public to provide answers and evidence related to 10 questions. These range from questioning whether efforts should be made to revise the definition of “political campaign intervention” and asking for evidence of groups violating the law on nonpartisanship, to improving how “contributions” are reported on the IRS Form 990, plus numerous questions about foreign money going into charitable, social welfare, and truly political organizations. The deadline for submitting responses is now **Friday, September 8** (see [extension notice](#)).

In [response to the Chairs’ request for information](#), the National Council of Nonprofits took the opportunity to share four overarching principles that demonstrate the importance of nonpartisanship and the integrity of the sector. The response then provided answers to each of the 10 questions, most notably writing, “It would be extremely *unhelpful* to 501(c)(3) charitable nonprofits for the IRS to engage in rulemaking on how to define ‘political campaign intervention.’” (Emphasis in original.) At the end, the NCN responses reiterate recommendations to help provide clarity and reduce fraud.

The response concludes: “we do not believe there is systemic or widespread abuses by 501(c)(3) nonprofit organizations engaging in prohibited activities to influence partisan elections. Nonetheless, we recognize threats abound that demand vigilance and collaboration between charitable organizations, law enforcement, and policymakers. The networks of the National Council of Nonprofits stand ready to assist the Committee and its members in identifying challenges and solutions that will help ensure the charitable sector remains a safe haven from caustic, partisan politics that Congress has intended it to be and the American people want it to be.”

Worth Quoting

- “501(c)(3) organizations – frontline charities, churches, and foundations – are nonpartisan in law, fact, and culture, and are committed to remaining that way to ensure their integrity and impact. ... The 501(c)(3) nonprofit community stands strongly united in support of the federal law requiring nonpartisanship and in opposition to those attempting to politicize the charitable sector in their quest for partisan, personal, and financial gains.”

~ **Overarching Principle #1: Nonpartisan, Now and Forever**, [Response of the National Council of Nonprofits](#) to House Ways and Means Request for Information, submitted Sept. 5, 2023.

- “We reject the premise that an organization must be biased and/or partisan for focusing on registering low-income people or other demographic groups. Quite the contrary, it should be a bedrock principle of civic engagement for all that every person eligible to vote in our democracy should be registered and encouraged to get to the polls.”

~ **Overarching Principle #4: Charitable nonprofits and civic engagement are synonymous**, [Response of the National Council of Nonprofits](#) to House Ways and Means Request for Information, submitted Sept. 5, 2023.

National Voter Registration Day is September 19!

Just Two Weeks Until National Voter Registration Day!



Become a [partner](#) and join in promoting the nation’s biggest nonpartisan civic holiday - National Voter Registration Day - on September 19. Join nonprofits and other organizations for a one-day, nationwide blitz to raise awareness of nonpartisan voter registration opportunities. Help ensure every eligible person is #VoteReady.

[GET INVOLVED](#)

Federal *FastView*

- **Funding for AmeriCorps in Fiscal Year 2024:** The House and Senate are proposing to cut AmeriCorps funding for Fiscal Year 2024, with the House bill proposing a reduction of 50% and eliminating all funding for AmeriCorps education awards. Many charitable nonprofits around the country partner with AmeriCorps, the federal agency for national service and volunteerism, so AmeriCorps members can serve communities and make an impact during their service year. Recognizing the impact these cuts can have on communities, [Voices for National Service](#) is leading a [sign-on letter](#) in support of FY24 funding for AmeriCorps. The coalition encourages organizations, associations, coalitions, philanthropy, and businesses to sign the letter **by Friday, September 8**.
 - **Preparing for the 2030 Census:** The U.S. Census Bureau is already gearing up for the 2030 Census, releasing several webinars and materials and planning to release findings this fall from the [2030 Census Federal Register Notice](#). The Bureau recently announced that it is [establishing a new federal advisory committee](#) focused on the 2030 Census. The Advisory Committee is designed to assist the Bureau develop strategies to increase participation in the decennial count of every person in the United States, reduce barriers to responses, and “enhance the public’s trust and willingness to respond.” The public is invited to [nominate members](#) to serve an initial three-year term. Nominations can be for either an organization or a coalition by submitting a single nomination as a group by September 30, 2023.
 - **Federal Grants Coordination:** In August, the Office of Management and Budget announced the creation of a new interagency forum designed to improve coordination, transparency, and accountability for grants management within the federal government. The new [Council on Federal Financial Assistance](#) (COFFA) will be made up of top officials in the 24 grant-making federal agencies. In announcing the new forum, the Director of OMB wrote that it is designed to “improve customer experience with delivery of services, improve equity, and leverage Federal financial assistance as a catalyst to build back better.” Past iterations of this new COFFA have been responsive to requests from charitable nonprofits for improvements to the OMB Uniform Guidance and agency practices.
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Worth Reading

- [How communities can navigate the tangled web of federal grants](#), Kaitlyn Levinson, *Route Fifty*, Aug. 31, 2023.
 - [States get a leg up on grant applications](#), Kery Murakami, *Route Fifty*, Aug. 30, 2023.
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Remote video URL

Worth Watching

- [Gen. Stanley McChrystal on what would close the divide in America](#), *CBS Sunday Morning*, Sept. 3, 2023.
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Student Loans and Repayment Updates

On September 1, interest began to accrue again on federal student loans for the first time in more than three years, and borrowers will have to start making payments next month. The U.S. Department of Education created a [resource page](#) for borrowers, as well as specific pages for [individuals entering repayment for the first time](#) and those with any [loans in default](#). Borrowers are urged to update their contact information with both Federal Student Aid and their loan servicer, ensure that they are enrolled in a repayment plan, set up or verify their auto payment schedules, and check if they qualify for student loan forgiveness programs such as [Public Service Loan Forgiveness](#) (PSLF). To help borrowers adjust, the Department of Education announced a temporary ["on-ramp" period through September 30, 2024](#) for borrowers who aren't able to make payments. During this period, payments are still due for eligible loans, and interest continues to accrue, but borrowers will not have delinquency flagged to credit reporting agencies.

State and Local

Workforce Shortages and Developing Solutions

Most labor and workforce indicators show that employment, especially in the private sector, has recovered from the pandemic, while employers serving the public,

including governments and nonprofits, still face recruitment and retention challenges. For instance, 51.7% of nonprofits reported that they had more vacancies in April 2023 than before March 2020, according to [NCN's new workforce shortage report](#), while [state and local government employment](#) is down 0.1 percent below pre-pandemic levels. At the 2023 National Conference of State Legislatures legislative summit, state legislators discussed solutions to workforce challenges, such as the usual topics of job training and career readiness, as well as other related challenges like the lack of child care, affordable housing, and mental health services. Many of these are already being implemented in the states.

- **Mental Health:** Research in **Indiana** in 2022 found that [untreated mental illness](#) cost the state \$4.2 billion a year, including \$708 million in direct health care costs. In response to these findings, the state legislature approved a bill that would begin to [reform the state's mental health system](#) and address the long-term effects of stress and burnout.
 - **Workplace Fatigue:** On workplace fatigue, the [National Safety Council](#) estimates that an average employer with 1,000 employees can expect to “experience more than \$1 million lost each year to fatigue.” Earlier this year, **Maryland** introduced [legislation for a 4-day workweek](#) pilot program that would also allow participating employers to claim a tax credit, in support of findings that show employees in these programs are less likely to report stress and burnout. In July, **New Jersey** Governor Murphy signed legislation that will expand the reasons for which a school district employee may use sick leave, noting that the “past several years have highlighted just how crucial it is to prioritize the health and wellness of our residents,” and the reasons for using sick leave must reflect that.
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Anticipating Changes to Child Care Availability

One of the main reasons for nonprofit workforce shortages in 2021 was the inability to find child care, and [2023 findings](#) showed child care remains a factor in limiting nonprofit employment, albeit less severe than before. For many providers and beneficiaries of child care, there are growing concerns about the future of child care in the country. According to a [National Association for the Education of Young Children](#) survey, one-third of respondents indicated “Yes” or “Maybe” as to whether they were considering leaving their job or closing their child care center, and most

federal aid for child care providers is set to expire at the end of this month. However, in some parts of the country, the effects are visible already.

Without renewed federal assistance, states are left to ensure families have access to affordable child care and determine how many families would be impacted by funding changes.

- **California:** A [child care funding](#) program in the City of San Luis Obispo has invested over \$100,000 since 2021 to increase the number of child care slots in the city, and another \$25,000 will be allocated over the next two years.
 - **Minnesota:** On September 1, Otter Tail County announced that it still has funds remaining for its [Child Care Capacity Program](#), which has already awarded more than \$150,000 to 25 providers and centers in the County.
 - **Wisconsin:** In August, Governor Evers called for a [special legislative session](#) on September 20 to secure funding for child care services through a \$65 million investment in programs like Child Care Counts.
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Update: National Nonprofit Legislative Caucus

A feature article in today's [Governing](#) highlights the movement to advance the interests of charitable nonprofits in state legislatures. Reporting on discussions last month at the legislative summit of the National Conference of State Legislatures (NCSL), the article opens with a clear statement of respect: "Nonprofit organizations play an essential role in maintaining the 'social fabric,' the connective tissue and relationships that hold communities together," and provides economic and employment data to demonstrate the impact of charitable organizations on their communities and the nation. The challenge, according to Maryland state Senator Cheryl Kagan, is that "Too many policymakers don't consider the community-based organizations that make such a difference in every legislative district in the country." That has led her to create the [National Nonprofit Legislative Caucus](#), in partnership with the National Council of Nonprofits and NCSL.

Worth Quoting

- "This isn't about us, it's about the work getting done. If we can work with governments to be more effective, everyone wins."

~ Tiffany Gourley Carter, Policy Counsel with the National Council of Nonprofits, quoted in [Legislators Eye the Vital Role of Nonprofits in Addressing Difficult Issues](#), Carl Smith, *Governing*, Sept. 5, 2023. Carter further explains that nonprofits can often use public dollars more efficiently than government and that better partnerships with legislators can mean better outcomes for communities.

Numbers in the News

74.6%

The percentage of nonprofit respondents to the nonprofit workforce shortages survey that reported job vacancies in April 2023, confirming that there is still a crisis as nonprofits cannot operate at full capacity.

Source: [2023 Nonprofit Workforce Survey Results: Communities Suffer as Nonprofit Workforce Shortage Crisis Continues](#), National Council of Nonprofits, Aug. 30, 2023.

September is

- [National Preparedness Month](#)
 - [National Recovery Month](#)
 - [National Suicide Prevention Month](#)
 - [National Voter Registration Day](#) - September 19
 - [National Wilderness Month](#)
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Nonprofit Events

- Sept. 14, [UNA Annual Conference](#), Utah Nonprofits Conference
- Sept. 19, [Nonprofit Leadership Summit](#), West Virginia Nonprofit Association
- Sept. 19-21, [MNA Annual Conference](#), Montana Nonprofit Association
- Sept. 19-20, [2023 Collaborative Conference](#) -Pennsylvania Association of Nonprofit Organizations
- Sept. 20-21, [2023 MCN Annual Conference](#), Minnesota Council of Nonprofits

- Sept. 24, [Conference for Louisiana’s Nonprofits](#), Louisiana Alliance for Nonprofits
- Sept. 28, [Advocacy Summit](#), Oklahoma Center for Nonprofits
- Sept. 29, [Nonprofits Count Conference](#), Florida Nonprofit Alliance

Advocacy in Action

Getting to the Big Picture Through Infographics



A picture may paint a thousand words, it is said, but an infographic can go even further using pictures, numbers, AND words to paint the bigger picture, tell the full story. Effective infographics can “illustrate” the presented information, communicate complex data into understandable images, and break things down into bite-sized concepts that can convert theory into action. Take, for example, the newly released infographic, [Nonprofit Workforce Shortage Continues](#), which condenses a 43-page report issued last week by the National Council of Nonprofits.

[Read the full article](#)

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