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Federal

Congressional Agenda in Flux

Making the Path for Nonprofits Priorities Uncertain

All of Washington is anxiously awaiting details of the \$1.5 trillion omnibus spending bill that must be passed by Friday to avert a federal government shutdown or require passage of another temporary funding measure known as a “continuing resolution.” House [Democratic leaders have scheduled votes](#) on the bill as early as Wednesday. Meanwhile, last Thursday, eight Republican Senators [threatened to delay passage of the bill](#). The text of the mammoth legislation – called “omnibus” because it would include all 12 appropriations bills that Congress is required to enact each year – will not just identify how much will be spent on which government programs. It is also expected to include billions of dollars for nonprofits in the form of “congressionally directed spending” (earmarks) and additional policies and items of interest to charitable organizations.

The omnibus spending bill is seen as the best, but not only, legislation to advance charitable nonprofit priorities in the areas of giving incentives, workforce shortages, and volunteerism. See next article for more details on those priorities. Even if the omnibus spending bill doesn’t include nonprofit policy priorities, other opportunities exist to enact nonprofit-focused relief. Another possible avenue might be in a

revised version of the House-passed Build Back Better Act. This past week, [Senator Manchin \(D-WV\) identified several tax, climate, and social spending priorities](#) from that legislation that he could support, reviving interest in a Democrats-only budget reconciliation bill this spring. Lawmakers could consider Ukraine and disaster aid in separate legislation, and Congress typically passes a tax bill at some point in the year (usually during a post-election lame-duck session). But again, the very best chance is now.

Advocate Now! In short, nonprofit needs amplified by the pandemic remain great, and opportunities for addressing those needs through public policies are as viable as ever. But only if all engaged in the work of nonprofits – staff, board members, volunteers, donors, and clients – advocate on behalf of their missions by joining efforts by other nonprofits.

We Need Your Help

1,300 Nonprofits Are Not Enough

To date, about 1,300 charitable nonprofits from all 50 states have signed the [letter to the President and congressional leaders](#) calling for “urgently needed pandemic and workforce shortage relief that will enable charitable organizations to fulfill their roles in our nation’s relief, recovery, and rebuilding.” The letter identifies nonprofit-specific policy solutions that would provide disaster relief, address nonprofit workforce shortages, and promote volunteerism. While 1,300 signers is impressive, it’s not enough to get policymakers to take action. The letter is open for all charitable organizations to sign and circulate for others to sign to show Congress and the White House that nonprofits in local communities throughout the country support these priorities.

Postcards Suitable for Tweeting

Pandemic and Workforce Shortage Relief for Charitable Nonprofits

Generating Resources to Meet the Needs of Relief and Recovery

Addressing Critical Staffing Shortages

Promoting the Return of Volunteers to Nonprofits

#Relief4Charities

Why Nonprofits, Why Now?

Financial Hardships

Charitable organizations have utilized many forms of relief over the past two years, but most of those supports have expired. Yet the needs remain great as charitable organizations struggle to provide pandemic relief in the face of continuing health risks, lost revenues, and the lack of available staff.

Nonprofit Staffing Shortages

Charitable organizations report significant difficulties retaining staff and filling vacancies. The impact of these shortages can be seen in virtually every local community as nonprofits are forced to restrict needed services, institute waiting lists, or close operations entirely.

#Relief4Charities

Once you sign the new nonprofit community letter and circulate it to colleagues to sign it too, consider forwarding it to your Representatives and Senators ([names and handles here](#)) using one of these postcards.

[Senator/Representative #handle] the pandemic continues to hurt the ability of charitable nonprofits to meet community needs. Enact #Relief4Charities to address financial, workforce, and volunteer shortages. <https://bit.ly/3gUi5gF>

#Relief4Charities

Follow the hashtag [#Relief4Charities](#) on Twitter to get breaking news, action items, and targeted tweets to help you make a difference in support of the nonprofit policy priorities and your own organization's wellbeing.

Raising the Profile of ERTC Relief

One of the most [significant policy priorities of the nonprofit community](#) is restoration of the Employee Retention Tax Credit (ERTC), the refundable payroll tax credit that Congress created at the outset of the pandemic, but retroactively repealed in November. Last week, a coalition of businesses and nonprofits sent a [letter to congressional leaders](#) encouraging them to reinstate the ERTC by inserting the Employee Retention Tax Credit Reinstatement Act (H.R.6161/S.3625) in upcoming legislation. A few days later, 30 Members of Congress, half Democrats and half Republicans, [sent their own letter to their leaders](#) calling for reinstating the credit “to help struggling small businesses and nonprofits who were counting on the ERTC to pay their employees through the end of the year.” The ERTC Reinstatement Act would restore the incentive for the fourth quarter of 2021. Nonprofits are also seeking extension and expansion of the ERTC as described in the [nonprofit priorities letter](#).

Federal *Fastview*

- **Prosecuting Pandemic Fraud:** The President announced numerous actions to [crack down on criminal fraud and identity theft](#) in connection with pandemic-related federal relief programs. Among other things, a special Justice Department task force is expanding prosecution of criminal syndicates for Paycheck Protection Program and unemployment insurance fraud and for identity theft in public benefits programs. As background, a [White House fact sheet](#) explains, “The dramatic outpouring of pandemic relief in 2020 saw an expansion of foreign and domestic criminal syndicates defrauding unemployment insurance and other benefits programs to rob American taxpayers of billions of dollars that should have gone to support deserving small businesses and workers who had lost their jobs.”
 - **Understanding Paid Leave Tax Credits:** The IRS recently updated its [frequently asked questions for tax credits for paid leave under the American Rescue Plan Act of 2021](#). The new information clarifies (at FAQ 98a) which IRS forms employers are to provide to employees for leave taken after March 31, 2021. Previous guidance explained both the tax consequences of claiming the tax credits for a tax-exempt eligible employer (at FAQ 71) and the eligibility of tax-exempt employers for the credit (at FAQ 100).
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Advocacy Reminder

Influencing Judicial Appointments

According to the IRS, the Internal Revenue Code allows charitable nonprofits to try to influence the nomination or confirmation of a judicial appointee, including a potential Supreme Court Justice. IRS guidance states, “Attempts to influence Senate confirmation of a federal judicial appointment are not considered campaign intervention, which is specifically forbidden by section 501(c)(3).” [Attempts by Exempt Organizations to Influence Judicial Appointments](#), IRS website, updated Sept. 7, 2021. The guidance continues, “However, because attempts to influence Senate confirmation are considered lobbying, they are subject to the rules on lobbying.” Charitable nonprofits may engage in lobbying in furtherance of their exempt purpose as long as the lobbying is not be a substantial part of the organization’s activities. Learn more at [Some Do’s and Don’ts for c3s Weighing in on the Supreme Court Vacancy](#) (Bolder Advocacy), and about all nonprofit advocacy rights at [Everyday Advocacy](#) on the National Council of Nonprofits' website.

Did You Know?

Accessing PPE and Other Supplies

When the pandemic first broke out and during the variant surges across the country, one of the biggest challenges was the lack of supplies to protect communities. Two resources available now are the [Strategic National Stockpile](#) and [United States Postal Service](#) COVID-19 site and hotline.

Strategic National Stockpile

The U.S. Department of Health and Human Services has provided millions of masks, [gloves](#), gowns, [N-95 respirators](#), face shields and other necessary supplies to minimize risk to healthcare workers as they care for patients across the country. Nonprofits providing health care services and needing supplies are encouraged to work with their states, tribal nations, and municipalities to request federal assistance from the Strategic National Stockpile.

United States Postal Service

Starting this week, residential households can [place a second order of four free at-home tests](#), for a total of eight tests per household. Households can also order tests by calling 1-888-720-7489 (interpretation available in five languages).

The Humanitarian Crisis in Ukraine

This [Message to Members](#) of the Nonprofit Association of Oregon from Jim White, Executive Director, serves as a reminder and inspiration:

“What has kept me going is the pressing reminder that when horrors happen in the world, nonprofit organizations are the first on the front lines to offer food, shelter, clothing, and even art, education, and sports for children. As these refugees and people internally displaced from their homes in the Ukraine, and even though Oregon is far from Ukraine, I know that there are many nonprofit organizations here already providing international assistance to Ukrainians and in the coming days, weeks, months, and years – many more nonprofits here will be joining them in that relief effort. This has served as a grim reminder that the work in the nonprofit sector is vital – the health and capacity of our organizations needs to be solid so we can be there for our communities here in Oregon and beyond our borders.”

Our friends at the Council on Foundations published the following in the March 4 edition of its newsletter, *Washington Snapshot*: [Nonprofits and Foundations Launch Funds to Support Ukraine](#):

“Russia’s invasion of Ukraine has triggered a growing humanitarian crisis as Ukrainians seek refuge abroad. Foundations and nonprofits around the world have sprung into action to support those at risk, launching several response funds to help deliver urgently needed aid to the region. In addition to a [webinar on the humanitarian crisis](#) co-sponsored by the U.S. Department of State, the Council on Foundations has curated [a list of response funds and resources](#) to assist funders looking to support relief efforts. For more guidance, read this [recent op-ed](#) from Alexandra I. Toma, executive director of the Peace and Security Funders Group.”

Worth Watching

- [Lessons from Louisiana: Golden Meadow Marsh](#) (6:01), Ducks Unlimited, Feb. 2, 2022, telling the story of the coastal resilience projects that partner the federal government with nonprofits, like Ducks Unlimited, to preserve marshes and habitats, which in turn built natural defenses that minimized the impact of Hurricane Laura in 2020. As one official states, “The great news from this terrible storm is that nobody died.”

State and Local

Policies Emerge to Address the Nonprofit Workforce Shortage

Lawmakers across the country are proposing legislation that could help alleviate the [nonprofit workforce shortages](#). In **Massachusetts**, companion bills ([H. 237/S. 105](#)) seek to eliminate the disparity that exists between the pay of human services workers employed by nonprofit human service providers and state employees performing similar work. The [Providers' Council](#) of Massachusetts explains that due to this salary disparity, “it is becoming increasingly difficult for community-based organizations to recruit and retain qualified workers in the sector.” They emphasize that without a solution to the workforce crisis in the human services sector, “an increasing number of jobs will go unfilled, and programs may close, leading to a loss of services for vulnerable Massachusetts residents.”

A bill in [Connecticut](#) seeks to establish a nonprofit employee loan reimbursement program to reimburse people who attended college in the state and meet employment requirements for a nonprofit or nonprofit health care provider in the state. The reimbursements would be up to \$5,000 for up to 3 years. Similar legislation in [Massachusetts](#) would create an education loan repayment program for eligible human service workers. Legislators in **Minnesota** are considering appropriating \$29.8 million to [workforce development programs](#), including competitive grants for organizations providing financial literacy, employment preparation, education, counseling, work-based learning experiences, and workforce training.

Not waiting for Congress to provide child care relief, states are considering new solutions. Last month, the [District of Columbia](#) Council approved legislation that authorizes the creation of a grant program for pay parity for early childhood

educators that will send direct payments of \$10,000 per eligible childcare workers. A bill in [Kentucky](#) would incentivize employers to make voluntary contributions into a new revolving fund – the Employee Child Care Assistance Partnership – into which the state would make matching contributions. Employees of contributing employers could then apply for financial assistance for child care. A [Missouri](#) bill would allow employers to claim a 30% income tax credit on the total expenses of purchasing day care services for dependent children of employees. The tax credit would rise to 50% on the expenses of establishing a child care facility used by the dependent children of employees as well as for its operational expenses. But because the credit would apply to income taxes, charitable nonprofits and other tax-exempt employers would not be eligible unless the bill is modified.

Worth Quoting

- "The nationwide labor shortage remains a top challenge for employers across the country, and at nonprofits the scramble for workers has been especially wearying. Funding restrictions have limited their ability to offer competitive wages, even as a wave of federal COVID-19 relief has increased demand for their services."

— [In a lopsided battle for labor, nonprofits struggle to staff up amid increased demand for services](#), An-Li Herring, *90.5 WESA* (Pittsburgh), Mar. 2, 2022.

Worth Studying

- [National Snapshot of COVID-19 Impact on United States Museums](#), American Alliance of Museums, Feb. 8, 2022, and [news release](#), providing results of a survey on hiring plans. Among other things, the report found that 47% of respondents had plans to rehire and/or increase staff size over the coming year, yet of those 56% reported they were having trouble filling open positions. The positions most difficult to fill were guest services/admissions/frontline/retail (56%), facilities/maintenance/security (40%), and education (26%). The survey results show museums had made or would make changes to their staffing, compensation, and benefits, including increasing the hourly rate of their lowest paid employees (49%) and shrinking the gap between the lowest and highest salaries (15%).

Allocating State and Local Fiscal Recovery Funds

The one-year anniversary of the American Rescue Plan Act finds governments still identifying ways to spend the resources in effective and creative ways. For instance, bills in Maryland would establish a five-year [Small Business and Nonprofit Health Insurance Subsidies Program](#) to provide subsidies to qualified employers and their employees to purchase health benefit plans. **Nebraska's** Appropriations Committee is expected to finalize decisions this week on numerous proposals for investing the state's ARPA allocations. Over 20 bills addressing child care, health, housing, and the workforce are being considered, all of which would be fully or partially funded by ARPA's State and Local Fiscal Recovery Funds. One proposal ([L.B. 1201](#)) would appropriate federal funds for grants to nonprofits providing food assistance, and another ([L.B. 1269](#)) would target for repayment the qualified educational debts owed by certain health professionals.

Keeping Track of ARPA Funding

Local: [Local Government ARPA Investment Tracker](#), Brookings Institute, Feb. 3, 2022

State: [ARPA State Fiscal Recovery Fund Allocations](#), National Conference of State Legislatures, updated Mar. 2, 2022.

Nationwide: [ARPA Spending Website](#), National Council of Nonprofits, updated regularly.

Worth Quoting

Local Officials on the Need for ARPA Funds

- “With these additional federal resources, counties across America will be able to strengthen our communities by investing in small businesses and nonprofits, vaccine distribution, public health and much-needed infrastructure.”

— Judge-Executive Gary Moore, Boone County, **Kentucky**, [testifying before the](#)

[U.S. House Committee on Oversight and Reform](#), Mar. 1, 2022. Judge-Executive Moore testified on behalf of the National Association of Counties.

- “[Funds from the American Rescue Plan Act empowered local governments to] manage the public health emergency, address the urgent needs of our community, anticipate long-term impacts, and pave the way for a more equitable recovery.... Uniquely, [the program] transferred the decision-making process from the federal government to local governments, empowering those who know their communities best with the resources to enact real, immediate, impactful change.”

— Mayor Victoria Woodards, City of Tacoma, **Washington**, [testifying at the same congressional hearing](#), Mar. 1, 2022. Getting to the true impact, Mayor Woodards stated, “Most importantly, the funding makes a difference in the lives of our residents,” explaining, “Tacoma leveraged ARPA dollars and existing resources to increase services and support for programs targeting our community’s most vulnerable populations.” Mayor Woodards testified on behalf of the National League of Cities.

- Review the hearing recording and the written testimony: [Examining the Impact of the American Rescue Plan’s State and Local Fiscal Recovery Funds](#).
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Worth Recognizing

- **Massachusetts**: Michael Weekes, President and CEO of [Providers’ Council](#), was recently [appointed to the Commonwealth’s Human Services Workforce Board](#), where he’ll make recommendations on how the state should spend the \$30 million in ARPA funds earmarked for the human services sector.
 - **New Jersey**: Linda Czipo, CEO of the [Center for Non-Profits](#), was named as a [2022 Power Influencer in New Jersey](#) by ROI-NJ.
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Numbers in the News

1 million

The estimated number of unpaid interns annually – primarily serving in the government and nonprofit sectors – according to a recent analysis. The research estimates that there are 3.28 million interns in the U.S. and that most are paid.

Source: [Unpaid Internships & Inequality: A Review of the Data and Recommendations for Research, Policy and Practice](#), Center for Research on College-Workforce Transitions, March 2022. See also [Interns: Employee or Volunteer](#), National Council of Nonprofits.

Upcoming Events

- Mar. 8, [California Legislative Session](#), CalNonprofits
- Mar. 9, [Powering Up with Nonprofit Advocacy](#), Alliance of Arizona Nonprofits
- Mar. 9-11, [South Carolina's Nonprofit Summit](#), Together SC
- Mar. 10, [Nonprofit Day of Advocacy](#), Alliance of Arizona Nonprofits
- Mar. 18, [Nonprofit Advocacy and What's at Stake in 2022](#), Minnesota Council of Nonprofits
- Mar. 22, [MNA Legislative Day](#), Michigan Nonprofit Association
- Mar. 22, [Quarterly Policy Update](#), Washington Nonprofits

Advocacy in Action

Surveying Community Needs and Priorities

The City and County of Honolulu, which are home to two-thirds of the state's population, went to the people to ask their views on where [the \\$386 million from its Fiscal Recovery Fund \(FRF\) should be spent](#). The results are informing nonprofit advocacy to help shape grant and other programs. But perhaps the greater impact is the lesson demonstrated once again: The more input solicited from the public, the better prepared policymakers are to understand and determine how to drive relief and recovery.

[Read More](#)