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Federal

Federal Shutdown Drama Ends (Finally) with Passage of Spending Bills

Over the weekend, Congress passed, and the President signed, a \$1.2 trillion [spending bill](#) which included the six remaining Fiscal Year 2024 appropriations bills that fund about 70% of the federal government. Some federal funding highlights include a \$1 billion increase for the Child Care and Development Block Grant and a cost-of-living-adjustment for the Head Start program. It also vitiates (claws back) \$4.3 billion in previously approved COVID money for vaccine activities, testing, contract tracing, and the public health workforce; money for [State and Local Fiscal Recovery funds](#) remains available to charitable nonprofits. Another nonprofit priority, funding for the Affordable Connectivity Program that provides internet service subsidies for eligible households was not included in the legislation.

The appropriations work of Congress is not done, however. The House still needs to vote on the Senate-passed bipartisan national security supplemental spending bill to provide support for Ukraine, Israel, humanitarian relief in Gaza, and Taiwan. Also, although the President delivered his FY 2025 budget requests two weeks ago, Congress is not expected to pass any of the 12 core spending bills before the new

fiscal year starts on October 1. Congress is more likely to pass a Continuing Resolution to keep the federal government open until after the November elections.

Worth Reading

- [Congress finally approves spending budget, nearly six months late](#), Kery Murakami, *Route Fifty*, Mar. 23, 2024.
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Is Bipartisan Action Dead Until After the Elections?

By enacting the remaining appropriations bills for the current fiscal year, the 118th Congress completed its most fundamental function of funding the federal government. Conventional wisdom has it that additional bipartisan agreements will not be possible and that the remainder of the year will be devoted to politicians engaging in partisan posturing and painting their opponents as extreme in the lead up to the elections. Cynicism aside, the stakes are too high for charitable nonprofits to leave elected officials to their baser instincts. Bipartisan bills designed to positively impact the work of nonprofits are ready and available for action with effective advocacy from the charitable sector. Here are two opportunities that will make a world of difference to nonprofit missions everywhere:

- **Restoration of the Charitable Deduction for Non-Itemizers:** Although the House passed bipartisan tax legislation in January, the measure is stalled in the Senate and does not yet include restoration of the non-itemizer charitable deduction, an expired giving incentive that had provided taxpayers claiming the standard deduction the opportunity to get a tax break for donating to the work of charitable organizations. See the recent letter to Congress from the Charitable Giving Coalition: [Restoring a Charitable Deduction for Non-Itemizers](#).



Take Action: Senators need to hear immediately from the charitable nonprofit community. Call your two [Senators](#) today and tell them: “**The Senator must insist on restoration of the non-itemizer (universal) charitable deduction as a provision in any tax package under consideration.**” You can also write your [Senators](#) to deliver the message via email and include a [link to the new nonprofit community letter](#).

- **Streamlining Federal Grants Act (S. 2286/H.R. 5934):** Lawmakers from across the political spectrum support legislation to address many of the challenges that nonprofits and local governments experience with federal grants. Among other things, the legislation would establish a Grants Council to provide guidance to federal agencies on streamlining and simplifying grant applications and reporting requirements; improve nonprofits’ user experiences with federal grants; and mandate that government agencies solicit input from nonprofits and other partners on ways to improve the delivery of services to communities through federal grants.



Take Action: Learn more about [how the legislation would positively affect charitable organizations](#). To encourage Congress to pass the *Streamlining Federal Grants Act*, a broad coalition of nonprofits has sent a [letter to leaders in Congress](#) urging them to take action on it. Although the letter has been sent, nonprofits can still [sign on to the letter](#) to show growing support in updated versions of the letter.

Take Advantage of the Congressional Recess

Federal legislating is on hold over the next two weeks while Representatives and Senators are back in their states for their annual spring recess. This is an ideal time – away from the news cycles and crises of the day – to talk with your elected officials about your policy priorities and why they matter in your community. This resource from last August can help you: [Meet with your elected officials in the coming weeks – while they are home!](#)

Federal *FastView*

- **Overcoming Polarization Through Community Building:** This month, Representatives Derek Kilmer (WA-06) and Andy Barr (KY-06) reintroduced the [Building Civic Bridges Act](#) (BCBA), bipartisan legislation designed to “support civic bridgebuilding across the United States.” The bill is in response to [recent data](#) showing that most people in the country agree with the sentiment that the U.S. has become very polarized. If enacted, the BCBA would establish a [nonpartisan pilot program](#) under an Office of Civic Bridgebuilding at AmeriCorps to distribute competitive federal grants to “support civic organizations and initiatives that promote civic engagement and bridgebuilding within the U.S.” See recent article, [“Teaming Up” to Build Bridges and Fight Polarization](#).
- **Expanding Challenges to Affirmative Action:** The organization that successfully challenged [affirmative action at universities](#) before the U.S. Supreme Court has now [filed a lawsuit against the Smithsonian](#) National Museum of the American Latino and the director of the Institute of Museum and Library Services, seeking to block an internship for Latinx individuals. The American Alliance for Equal Rights (AAER) argues that the internship, which is designed to increase the Latinx representation in museum leadership positions, discriminates based on race and ethnicity because in 2022 and 2023 “the museum has never hired an intern who identified as non-Latino.” A group of Latino organizations and other civil rights groups [filed a brief](#) rebutting many of the AAER’s arguments. The same plaintiffs have [sued to ban race-oriented philanthropy](#).
- **PSLF Expanded:** The [Department of Education announced](#) last week that the Administration has provided student loan relief through the Public Service Loan Forgiveness (PSLF) program to more than 871,000 borrowers who went into

public service – including 501(c)(3) charitable nonprofit employees – for at least 10 years, compared to only about 7,000 borrowers from 2017-2020. The Administration also announced it will be sending emails to borrowers with federal student loans who are within two years of becoming eligible for PSLF to inform them of the possibility of loan forgiveness and encourage them to continue their public service work to remain eligible for the program

- **Expanding the Water Technical Assistance Program:** On February 22, the Environmental Protection Agency (EPA) [announced](#) that it would expand its free [water technical assistance \(WaterTA\) program](#) to support eligible entities, such as nonprofits, applying for funding made available through the Bipartisan Infrastructure Law. Expanded engineering services include the “development of project needs assessments, preliminary engineering reports, and other studies needed to support community applications for State Revolving Funds.”

Worth Listening

- [A small federal agency plans to document the state of American museums](#), Eric White, *Federal News Network*, Mar. 12, 2024.



Election Tip

Join the [Rally the Sector Webinar](#) on March 28

Get inspired and equipped with the tools to empower your community to vote in 2024 with Nonprofit VOTE’s March 28 [“Rally the Sector” webinar](#) featuring keynote speaker Vu Le of [Nonprofit AF](#). While your work as a nonprofit must and should remain nonpartisan, your organization can play a vital role in ensuring that the communities you serve have a say – up and down the ballot, especially at the local and state levels. Hear highlights from [the latest Nonprofit Power Report](#) and how community members whom nonprofits get engaged vote at significantly higher rates across demographic groups. [RSVP for the Rally the Sector here](#).

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State and Local

State Legislative Roundup

While state budgets and social policies get most of the media attention, state legislatures also have been digging deep into policy issues that directly affect the ability of charitable nonprofits to advance their missions or, in the case of voting, affect the ability of the people nonprofits serve to engage in democracy.

- **Charitable Giving Incentives:** In Nebraska, a pending measure would establish a tax credit to [expand child care options](#) in the state. A **Rhode Island** bill would create a tax credit equal to 75% of the fair market value up to \$5,000 for [food donations](#) by qualified taxpayers to nonprofit organizations and provide an additional credit to cover half of the related transportation costs.
- **Nonprofit Wages:** Legislation in **Illinois** would establish a Human Services Compensation Task Force and [Human Services Compensation Study](#) to determine the equitable rate of compensation, including wages and benefits, in the human services sector statewide and nationally. Last week, **Indiana's** Governor signed a law making certain [child care center employees eligible for federal child care assistance](#) and providing priority of prekindergarten vouchers for children of child care employees. The measure also requires a study of compensation for early childhood educators.
- **Sales and Use Taxes:** Not all states exempt charitable nonprofits from sales and use taxes. Lawmakers in several states are working to fix that. In **Kansas**, a bill would [exempt from sales tax](#) all purchases by any 501(c)(3) nonprofit in good standing. A pair of **Michigan** bills would exempt food prepared for or consumed at a nonprofit fundraiser from [sales taxes](#) and [use taxes](#). In **Maine**, the Governor included in her budget a proposal to enact a [universal sales tax exemption](#) for all 501(c)(3) nonprofit organizations. [Learn more](#).
- **Task Force Representation:** The **Washington** Legislature has approved and sent to the Governor the [Nothing About Us Without Us Act](#). The measure would require at least three individuals from underrepresented populations that have direct lived experience on each statutorily created or statutorily mandated multimember task force, work group, or advisory committee tasked with examining and reporting to the legislature on policies or issues that directly affect historically underrepresented communities.
- **Voting:** Running counter to efforts to restrict voter access, **Delaware** and **New Hampshire** are considering measures to expand voting opportunities. A Delaware bill seeks an amendment to the state constitution to authorize [10](#)

[days of early in-person voting](#) and extend provisions to safeguard elections. New Hampshire legislation would require the creation of an [online election information portal](#) to allow for online voter applications, request an absentee ballot, or request changes to database information. [Learn more](#).

Worth Quoting

On the Sales Tax Exemption for Nonprofits

- “It makes sense for every 501(c)(3) organization to receive the same treatment when it comes to sales tax. The IRS recognizes that they are all doing work for the public good; Maine should recognize that, too.”

— Mary Alice Scott, Public Affairs Manager of the **Maine Association of Nonprofits**, in [Gov. Mills proposes exempting all nonprofits from sales tax](#), Rose Lundy, *The Maine Monitor*, Feb. 25, 2024.

Worth Reading

On Child Care

- [Building the Child-Care Workforce We Need](#), Linda K. Smith, Bipartisan Policy Center, *Governing*, Mar. 15, 2024.

On Election Integrity

- [Gov. Shapiro launches election security task force ahead of 2024 elections](#), Kim Lyons, *Pennsylvania Capital-Star*, Feb. 29, 2024.
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States Consider Donor Intent Legislation

Legislation being pushed in several states seeks to create (some say reiterate) the rights of donors to sue charitable nonprofits that donors or their heirs believe are not following the donor’s intent. [Kansas](#) enacted a law last year that provides legal recourse to an individual charitable donor when an endowment agreement is violated. A similar bill is pending in [Kentucky](#), and another recently failed in [Vermont](#)

. A bill expected to pass shortly in [Georgia](#) would require a charitable organization or 501(c)(4) nonprofit that accepts a contribution to not violate the terms of an endowment agreement that includes a donor-imposed restriction. It would expressly authorize the donor, donor's direct descendants up to four generations, or legal representative to bring civil action for declaratory relief. Importantly, all of the bills prohibit the court from ordering the return of the contribution to the donor. In virtually all cases, the bills appear to be advanced by a national organization, although no examples of abuse, whether random or systematic, have been alleged.

Worth Reading

- [Migrant mothers and their kids, facing challenges alone, look to nonprofits for help](#), Angelique Molina-Mangaroo, *NYN Media*, Mar. 11, 2024.
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Worth Listening

- [Why Rural Nonprofits Deserve a Seat at the Table](#), I Was Told There Would Be Snacks Podcast, Tennessee Nonprofit Network, Mar. 19, 2024, featuring Ellen Collins, Executive Director of the **Mississippi Alliance of Nonprofits and Philanthropy**, illustrating why rural nonprofits should matter to metropolitan nonprofits and legislators.
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Numbers in the News

7%

The percentage of State and Local Fiscal Recovery Funds that cities and consolidated cities with populations greater than 250,000 have obligated to "Nonprofit Support" as of September 30, 2023.

Source: [Investing in Programs that Support Community Stability with ARPA Funds](#), Christine Baker-Smith, Patrick Hain, Matt Crespi, National League of Cities, Mar. 8, 2024.

NOTE: Learn how your nonprofit can identify and seek remaining funds before this once-in-a-lifetime funding program ends later this year; go to [Accessing State and](#)

[Local Fiscal Recovery Funds](#).

\$741 million

The amount of increased funding that will go towards a cost-of-living adjustment (COLA) for city-contracted human services workers of nonprofits in New York City. A victory for the [#JustPay campaign](#), the 9.27 percent increase over the next three years begins July 1 with a 3% increase.

Source: [Mayor Adams Boosts Pay for 80,000 Human Services Workers With \\$741 Million Cost-of-Living Adjustment](#), NYC Office of the Mayor, Mar. 14, 2024.

Taking Note

In honor of March being [Women's History Month](#), we note four recent historic firsts for women:

- On the last day of February, the U.S. Senate confirmed **Marjorie Rollinson** as [Chief Counsel of the Internal Revenue Service](#).
 - **Cole Brauer** became the first American woman to [sail solo around the world](#). Read [this New York Times profile](#) of her journey.
 - This month, Iowa basketball star [Caitlin Clark](#) became the career NCAA Division I [scoring leader](#) among men or women.
 - Last week [Jasmin Paris](#) became the first woman to ever complete the Barkley Marathons, a 100 mile race through the **Tennessee** woods, in under 60 hours.
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Nonprofit Events

- Mar. 28, [Nonprofit Government Contracting Coalition](#), Nonprofit Association of Washington.
- April 12, [Annual Member Meeting](#), Mississippi Alliance of Nonprofits and Philanthropy.

Advocacy in Action

The Role of Data in Advancing Nonprofit Missions

Nonprofit professionals engage in advocacy every day, whether they realize it or not. Some more obvious examples include filing comments on proposed federal regulations, calling legislators on pending bills that could impact them or their communities, or attending nonprofit days at the capitol. Behind a lot of these efforts is a tool that many advocates use to their advantage: data. Frontline nonprofits can help build the advocacy data necessary to influence policy simply by completing a survey or referring to “state of the sector” or [similar reports](#), typically compiled by state associations of nonprofits.

[Read more](#)

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