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Nonprofit Champion | July 1, 2024

Make Your New (Half-) Year's Resolution

To Secure Your Share of Remaining ARPA Dollars

Today, July 1, marks the six-month countdown for availability of State and Local Fiscal Recovery Funds under the American Rescue Plan Act. State, local, and Tribal governments must obligate via written agreements an estimated \$89 billion dollars in remaining funds by December 31, 2024, or they must send the money back to the federal government. Charitable nonprofits are eligible for these funds, but they are not entitled to automatically receive them; you have to ask.

Flourish

Resolve to learn more, connect with your state and local officials, and secure these once-in-a-lifetime resources.

[Learn More](#)

Federal

Overtime Final Rule Goes Into Effect Today, Except for Texas State Employees

The U.S. Department of Labor's [Overtime Final Rule](#) starts phasing in today, July 1, unless federal courts intervene at the last minute. The Rule requires employers to pay "white collar" employees salaries of at least \$844 per week (\$43,888/year) in order for the employees to remain exempt from receiving overtime pay for working more than 40 hours in a week. A second, higher salary level threshold is scheduled to take effect on January 1, and the Rule calls for automatic hikes to the minimum salary levels every three years thereafter. [Learn more about the rule.](#)

Late on Friday, a federal judge in **Texas** [issued a preliminary injunction](#) halting the Overtime Final Rule from going into effect in Texas while the case is litigated by the Texas Attorney General. The injunction only applies to the State of Texas as an employer, not to any private sector employers, including charitable nonprofits. The judge expressly rejected the option of applying the injunction nationwide. Two other lawsuits from business groups also seek to block the Rule; no known ruling in those cases has been issued as of early this morning.

House Appropriations Bills Coming Fast and Furious

The House of Representatives has made rapid progress in moving some appropriations bills through the process. Last week, the House passed three major spending bills and held committee markups to prepare additional measures for floor action after the July 4 recess. Speed in advancing those bills, however, does not indicate likelihood of provisions becoming law. So far, of the House appropriations bills contain significant spending cuts and poison-pill policy proposals that likely will be rejected in the Senate and by the President. For instance, the spending plan for the Commerce Department includes a provision preventing the Census Bureau from counting certain populations in the 2030 Census. The Homeland Security bill includes \$600 million for the construction of former-President Trump's border wall. The House bills also include provisions that would curb abortions, LGBTQ rights, and equity and inclusion programs. By all accounts, Congress will need to enact a short-term Continuing Resolution before October 1 to fund the government until after the

November elections. This means the controversial and extreme conservative additions to the bills reflect political posturing rather than serious legislating.

Charitable Giving Declines (Again)



The latest data from [Giving USA](#) on charitable giving in 2023 show that all four sources of giving – individuals, foundations, bequests, and corporations – remained flat or declined when adjusted for inflation. Overall charitable giving dropped 2.1% in 2023. This follows the abysmal giving declines of 13.4% in individual giving in 2022. The new data also show that giving to religious organizations declined by 1.0% in 2023 when adjusted for inflation. Total giving has not yet surpassed the all-time inflation-adjusted high set in 2021, the last year of the non-itemizer deduction.

Worth Quoting

- “Coupled with the decades-long trend of fewer and fewer Americans giving to charity, this report reinforces growing concerns that lower- and middle-income individual donors are disappearing.”

— [CGC Concerned Giving Failed to Keep Pace with Inflation in 2023](#), Statement of the Charitable Giving Coalition, June 25, 2024.

Federal FastView

- **Student Loan Relief Blocked:** Judges in **Kansas** and **Missouri** issued separate injunctions last week [preventing the federal government from fully implementing](#) and forgiving any more loans through the Saving on a Valuable

Education (SAVE) program while they consider lawsuits to end the administration's plan. A coalition of 11 Republican-led states allege that the President overstepped his authority in creating the repayment program — claims that mirror the case that last year toppled Biden's initial effort to forgive up to \$20,000 in federal student loans. On Sunday, a federal [appeals court halted the Kansas injunction](#), meaning the program can move forward as planned, at least as to some, subject to continuing litigation.

- **UPDATE: Employee Retention Tax Credit Claims:** Last month, the Internal Revenue Service (IRS) [announced](#) that it plans to deny “tens of thousands of improper high-risk Employee Retention Credit claims” on the grounds that they are likely to be ineligible. For employers that have filed ERTC claims, the IRS acknowledged that the processing time will be lengthy, but made clear that filers do not need to take additional action. The IRS also announced that it will keep in place the processing moratorium for ERTC claims sent after September 14, 2023, meaning that it is prioritizing claims submitted before that date.

Voter Engagement



Election Tip

First Things First: Register Voters

Remote video URL

In the latest installment of our series on [Nonprofit Nonpartisan Election Tips](#), NCN Policy Counsel Tiffany Gourley Carter visits with Lydia Camarillo, President of the Southwest Voter Registration Education Project. Camarillo discusses the importance of focusing on [voter registration as the first step](#) to voter engagement. She also shares how one person who is motivated to vote can help inspire friends, family, and others to turn out, too.

Worth Reading

- [States struggle with unreliable federal funding for making sure elections are secure](#), Jennifer Shutt, *Stateline*, June 19, 2024.

New Employment Laws Going into Effect Today (July 1, 2024)

Today is the start of the new fiscal year for many states, signaling the effective date for many recently enacted laws. Some new state laws to be aware of include:

- **Benefits:** Employers in **Indiana** with more than 50 full-time employees, or their equivalent, must now post a notice outlining veterans' benefits and services. They must also report newly hired and rehired employees to the state's New Hire Reporting Center.
- **Child Care:** The Child Care Contribution Law in **Vermont** requires employers to contribute to funding Vermont's child care system.
- **Gender Identity:** The **Minnesota** Human Rights Act (MHRA) prohibits discrimination based on gender identity and amends the definition of sexual orientation. Gender identity under the law means a person's inherent sense of being a man, woman, or neither. Sexual orientation is defined as to whom someone is - or is perceived as being - emotionally, physically, or sexually attracted based on gender identity.
- **Hiring Process:** In **Colorado**, employers cannot request information about an applicant's age during the initial hiring process, unless there is a legal requirement such as a minimum age or safety concern. **District of Columbia** employers must include a range of salary or hourly wages in their job postings and advertisements, disclose the availability of healthcare benefits prior to the first interview, and not ask about an applicant's wage history during the hiring process.
- **Workplace Violence:** **California** employers now must establish, implement, and maintain an effective Workforce Violence Prevention Plan as part of their Injury and Illness Prevention Plans.

American Rescue Plan Act Funds: Approaching Deadline for Nonprofits

State, local, and Tribal governments have only six months left to designate in written agreements how they are going to spend their remaining allotments of State and Local Fiscal Recovery Funds (SLFRF). For charitable nonprofits experiencing challenges with workforce shortages, or declining revenue sources, this may be the last federal funding source from the pandemic. Government officials are actively looking for places to invest their remaining funds in their communities rather than sending the cash back to the federal government. Charitable nonprofits can help those officials by identifying eligible projects. Several governments have published materials on their programs that can be a source of inspiration for nonprofits elsewhere on creating proposals for their own decisionmakers. Here are two recent examples:

- Maricopa County, **Arizona**, announced that 1.8 million residents have received “life-enhancing services” because of the County’s [Nonprofit Assistance Program](#). The County reported that the entire cost of the program, which provided grants of up to \$200,000 to 82 nonprofits, was only \$13.5 million.
- Outagamie County, **Wisconsin**, awarded a total of [\\$2.25 million](#) to two local nonprofits as part of the County’s priority to address behavioral and mental health.

Find more examples for inspiration among the models in this report, [Strengthening State and Local Economies in Partnership with Nonprofits](#). Federal officials and others continue to encourage charitable nonprofits to contact their local government officials on the status of these funds and confirm whether and how much funding they have remaining to be obligated. Learn more on how to access SLFRF funds by reading: [State and Local Fiscal Recovery Funds Still Available for the Asking. So Ask!](#). Also see, [Accessing State and Local Fiscal Recovery Funds](#).

Government Grants and Contracts Update

State legislators have prioritized reforming government grants and contracting processes in 2024. While not all efforts produced new laws, the groundwork has been set for next year.

- **California**: Two bills affecting government grants and contracts, one bad and one good, continue to move in California’s Legislature. **CalNonprofits** and nearly 200 nonprofit leaders have signed a [letter in opposition](#) to [A.B 2557](#),

which “could dramatically impede many nonprofits’ (especially small organizations’) ability to pursue or renew partnered efforts and could reduce the flow of public dollars to already under-resourced communities.” The bill would require semiannual performance reports and permit regulatory authorities to require compliance plans, among other things. On the positive side, the appropriate committees will soon be considering companion bills ([A.B. 2322/S.B. 1246](#)) to improve the state’s Prompt Payments Act.

- **Vermont:** A bill to reform government contracts for services ([S. 96](#)) has died with the end of the governor’s veto session. The measure was the last remaining vehicle for some of the positive reforms in [H. 140/H. 702](#). See this summary on [State Grant Reform](#) from **Common Good Vermont** for more information. Advocates are already looking to build on progress made next year.
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Numbers in the News

61%

The percentage of respondents who said “diversity, equity and inclusion programs” (DEI) are a good thing, according to a survey conducted by the *Washington Post* and Ipsos. When respondents were provided a definition of DEI, that rate increased to 69%: “programs to hire more employees from groups that are underrepresented in their workforce, such as racial and ethnic minorities and people with disabilities and to promote equity in the workplace.”

Source: [Most Americans approve of DEI, according to Post-Ipsos poll](#), Taylor Telford, Emmanuel Felton and Emily Guskin, *The Washington Post*, June 18, 2024.

21,270

The number of state bills enacted so far in 2024. By comparison, Congress has enacted only 30 pieces of legislation this year and a total of 65 laws during the 118th Congress.

Source: Quorum; Congress.gov, accessed on July 1, 2024

Advocacy in Action

In Praise of Lobby Days

Participating in nonprofit Lobby Days at your state or the U.S. Capitol offers powerful opportunities to advocate for solutions that address community needs. Likewise, every engagement with elected officials and their staffs is an opportunity to explain your mission and impact, even when making an ask on a legislative proposal.

[Read more](#)

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