

The Nonprofit Resource Center mission has four core areas of policy focus, on both the federal and state levels:

- **Support Nonprofit Staff** – Build a resilient, skilled workforce through support of entry level career pathways and professional/leadership development pipelines; improve working conditions, wages and benefits; address issues of burnout and secondary trauma.
- **Strengthen Nonprofit Organizations** – Work to ensure that nonprofits have the necessary skills, resources, technical assistance, practical tools for operations, and capacity to advance their missions in a sustainable way.
- **Improve the Nonprofit Ecosystem** – Advance equitable, supportive policies and practices that ensure a positive and productive collaboration with government partners; work to dismantle inequitable practices and structural barriers that impede the ability of nonprofits, particularly nonprofits led by people of color, to accomplish their mission and grow and sustain their work; seek improvements in state/federal contracting to ensure full cost, timely payment and livable wages; educate state leaders and policymakers about the importance and impact of the nonprofit sector in Rhode Island, as well as the unique role that nonprofits play in providing essential services on behalf of the state; increase private and public investment into the sector; increase parity in access to resources between for-profit and nonprofit organizations; work to increase representation and voice of the nonprofit sector in the development of policy, regulations and programs that affect the constituents and work of nonprofits.
- **Racial Equity** – Address structural and regulatory issues that have historically impeded the ability of nonprofits led by people of color to access the resources necessary to grow their work and accomplish their missions; support Rhode Islanders from diverse backgrounds as they pursue careers and leadership positions in the nonprofit sector; evaluate the impact of different policies affecting the nonprofit sector for their potential positive and negative impact on organizations led by and serving people of color, as well as staff of color; encourage policymakers to use an equity framework in evaluating the impact of proposed legislation; support efforts to expand justice, equity, diversity and inclusion policy and education work.

2023-2024 PRIORITIES

Support for Nonprofit Workers

Workforce pipeline – To address the exodus of an increasing number of skilled, experienced nonprofit staff from the sector due to burnout, retirement, and compensation, it is essential to invest in entry level career pathways, and leadership development pipelines.

Compensation and benefits – Nonprofit workers deserve wages that are commensurate with their skills

and experience. Altruism does not pay the bills, and these staff should not have to sacrifice being able to provide for their families, accessing healthcare or planning for retirement in order to do work that benefits our communities. Public Service Loan Forgiveness helps nonprofit organizations by allowing them to compete for critical staff and reducing turnover. The program makes it more affordable to work in the nonprofit sector by lessening the burden of student

loans. As a result, nonprofits are able to recruit a more diverse workforce that better reflects the communities that they serve. Also, increasing AmeriCorps stipends from poverty level wages to liveable wages would increase the number of recent graduates able to explore career opportunities in the nonprofit sector.

Childcare and public transportation – Nonprofit workers need to have safe, affordable childcare options and accessible public transportation in order to remain in the workforce.

Investments in Nonprofit Organizations

Sustainability of essential services – The state contracts out its direct service work to nonprofit organizations, and they are the most important part of the state’s “service infrastructure.” State contracts, however, do not fully fund the contracted services, nor do they provide for market level wages. The sustainability of the state’s essential direct services is dependent on full cost contracts that provide liveable wages, and a long-term investment in this “service infrastructure” through targeted investments in building nonprofit capacity – technology, training, facilities, access to capital, etc.

Increase charitable giving – Rhode Island historically has ranked among the lowest states in terms of individual charitable giving, and there is a significant need to increase the resources available to nonprofits in the Ocean State. This requires increased awareness of the importance and impact of the nonprofit sector, an expanded pool of staff with fundraising expertise, and practical fund development tools. It can also be encouraged through policies that encourage charitable giving, like the universal charitable deduction, increased limits for qualified charitable distributions from IRA’s, and incentives for shorter term payouts from donor advised funds.

Improvements in Nonprofit Ecosystem

State and federal contracting – When nonprofits are contracted by the state, the nonprofit partner should be paid the full cost of providing the service, along with an adequate indirect rate that takes into account the actual costs necessary for making that service available, like staffing, financial reporting, evaluation, facilities, insurance, etc. Reimbursement should be received in a timely fashion, with equitable accommodations or partial upfront payments for organizations with expertise and trusted relationships with key demographic groups to ensure that those organizations who cannot front the cost of the entire program or service are still able to provide services. Effort should be made to streamline the application, procurement and reporting processes whenever possible so that nonprofits can focus on their mission-related programs and services.

and difficulty for smaller nonprofits of accessing auditing. Indirect rates should be increased to cover the actual costs of providing essential public services. Nonprofits are also forced to navigate a confusing array of (sometimes contradictory) regulations and requirements based on the source of funding. Many nonprofits who are well-qualified to deliver essential services choose not to apply for government funding because of the bureaucratic hurdles. This means that community needs go unmet, and existing resources are further constrained.

Favorable regulatory environment – The RI nonprofit incorporation statute needs to be revised according to the proposed Bar Association template to address the current working environment, including the prevalence of hybrid board meetings, etc. The audit requirement should be increased because of the cost

Representation in government – Despite being the third largest employer of the private workforce in the nation and responsible for delivering almost six percent of its gross domestic product, the nonprofit sector has no representation within the state or federal government. This lack of representation and voice, especially when policies that impact nonprofits and the communities they serve are created, has consequences. When the Paycheck Protection Program (PPP) was created in the midst of the Covid-19 pandemic, there was no one “at the table” to caution that administering PPP through the Small

Business Administration with an application form well-suited for business but not nonprofits could be problematic. Despite the overall success of PPP, many nonprofits were left out. In addition, nonprofits are experts in the issues facing our communities, but need greater clarity on how they can share their expertise and educate policymakers about needs on the frontlines, as well as the consequences of previous policy decisions on community members. Today, the rules around political activity are both extremely important (to keep nonprofits on the right side of the lobbying line) while also extremely complicated. That complexity has a chilling effect on many nonprofits who find it simply easier to refrain from policy education and advocacy than try and understand the rules, so their expertise is missing from the strategy development process, often leading to less effective government work down the road.

Access to data – Nonprofit data should be included in state and federal research products in the same way, and with the same timeliness, as for-profit data, so that community leaders and policymakers can

understand trends and make strategic decisions. Data on the impact of the nonprofit sector on the state's economy is necessary to ensure that nonprofits are included in statewide economic development and workforce development planning.

Parity between for-profit and “social profit”

organizations – Nonprofits should be able to access resources on par with for-profit companies, including hiring incentives, access to small business supports, and access to capital. Similarly, the volunteer mileage reimbursement rate should be tied to the business mileage reimbursement rate. The nonprofit workforce represents more than ten percent of private sector employment, the nation's third largest. Despite its size, and despite paying billions in payroll taxes, nonprofit employers are ineligible for many tax credits for-profit employers use to diversify and strengthen their workforce. Policymakers need to expand eligibility for key tax incentives to include nonprofits, ensuring that employers of every type can invest in their workforce, making it healthier and more equitable.

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