



## 2019 Public Policy Agenda

### Our Vision

Colorado Nonprofit Association leads, serves and strengthens Colorado's nonprofit community to improve the quality of life throughout our state. We work so that Colorado has the most effective, vibrant, and innovative nonprofit community that is essential to our state's quality of life.

Regarding public policy, our vision also includes the following core elements:

- Legislators, businesses, community leaders and the general public recognize the essential value of Colorado's nonprofit sector.
- Colorado pursues and maintains public policies and partnerships which support a flourishing operating environment for nonprofits.

The strength and value of Colorado's nonprofit sector derives, in part, from the richness of our communities and its diversity in culture, ideas, dreams, style, and mission. Particularly in public policy but in all activities, the sector should promote the inclusion and dignity of various individuals and groups and foster positive interaction among those holding diverse opinions and representing diverse backgrounds.

### Our Priorities

#### *We support effective tax incentives to increase charitable giving and volunteerism*

**Goal:** Effective tax incentives for giving and volunteering should be created, promoted, and strengthened.

**Background:** Tax policy is an important tool for encouraging individuals to give more of their time and treasure to support nonprofits' essential work of strengthening communities.

#### **2019 Actions:**

- Support implementation of the *Donate to a Colorado Nonprofit Tax Checkoff Fund* in 2020 by raising funds required for the program and developing tools to help nonprofits communicate this giving opportunity to donors.
- Support expanding the availability of the federal charitable deduction to non-itemizing taxpayers or creation of an above-the-line (or universal) charitable deduction.
- Oppose policies to weaken the Colorado Charitable Subtraction for non-itemizing taxpayers
- Oppose state policies that mandate volunteerism.

#### **Ongoing Actions:**

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- Protect state and federal policies giving and volunteering incentives that have a substantial impact on Colorado's nonprofits
- Support development of giving and volunteering incentives that benefit a wide range of taxpayers.
- Raise awareness among donors and nonprofits of state giving and volunteering incentives.

***We support policies to help nonprofits obtain state and local tax exemptions***

**Goal:** Simplify state and local laws on property and sales tax exemption.

**Background:** Nonprofits provide efficient and essential services that benefit the public and lessen the burdens of government. For this reason, state and local governments have chosen to exempt nonprofits from other taxes in addition to income taxes.

However, some current state and local tax exemption laws place unnecessary restrictions on the eligibility of 501(c)(3) charitable nonprofits for these exemptions or burden nonprofits through excessive reporting requirements or stringent enforcement actions.

**2019 Actions**

- Advocate for updating the state exemption for occasional sales by charitable organizations for inflation.
- Ensure local governments are implementing local sales tax definitions that are consistent with federal and state law and exempt sales to local 501(c)(3) charitable organizations in general.
- Protect the state tax exemption for sales to charitable organizations.
- Encourage issuance of clear IRS guidance on changes to Unrelated Business Income Tax resulting from the Tax Cuts and Jobs Act.

**Ongoing Actions:**

- Track, evaluate, and respond to pertinent state legislation on property and sales tax exemptions
- Support local policies that grant local sales tax exemption to nonprofits that are exempt from state sales taxes.
- Respond to state or local policies that burden nonprofits with unnecessary reporting requirements or enforce sales or property tax laws in a stringent manner.

***We support policies that encourage effective and accountable cross-sector partnerships.***

**Goal:** Support cross-sector partnerships that are transparent to the public, treat nonprofits as equal partners, and enable nonprofits to use their resources efficiently.



**Background:** Strong partnerships with government agencies and private sector businesses can help nonprofits serve communities with more of an impact.

**2019 Actions:**

- Support full implementation of the Office of Management and Budget’s uniform federal grant guidance in Colorado, particularly the requirement to pay nonprofits’ indirect costs
- Ensure that state grants rules are clear, transparent, and support the ability of nonprofits to serve the public efficiently and effectively.

**Ongoing Actions:**

- Work with state and local governments to understand and address systemic grants and contracting issues experienced by nonprofits.
- Inform nonprofits of new opportunities for cross-sector partnerships including new models for contracting and corporate forms for social benefit.

***We support building relationships between public officials and Colorado’s nonprofit community***

**Goal:** Nonprofits establish trusting relationships with public officials who develop policies and initiatives that affect nonprofits and the communities they serve.

**Background:** Nonprofits can work with public officials to better serve communities, leverage resources through cross-sector partnerships, and shape public policies that support their mission-driven work and strengthen communities.

**2019 Actions**

- Hold *Conversations with Congress*- town hall meetings with selected U.S. Representatives in their districts.

**Ongoing Actions:**

- Convene periodic meetings to bring together government officials with nonprofits.
- Provide and develop resources to help nonprofits build relationships with public officials.
- Ask candidates for elected office about their positions on nonprofit sector issues (“nonprofit platform”).
- Strengthen relationships with associations of cities, counties, and special districts to ensure accomplishment of common interests and ensure that nonprofits are valued community partners.
- Encourage state and local governments to designate liaisons to nonprofits in their communities.



***We support policies to make quality health care coverage affordable and accessible***

**Goal:** Advocate for health insurance policies that allow nonprofits to save money on their operations and help the people they serve.

**Background:** People who lack access to quality health coverage tend to have higher health care costs and worse health outcomes. Expanding access to affordable health insurance likely reduces their needs and demand for nonprofits' services. Affordable health care coverage is also an important benefit for hiring and retaining high quality nonprofit employees.

**Ongoing Actions:**

- Support policies that make it easier and less expensive for nonprofit organizations, nonprofit employees and their families to purchase high quality coverage.
- Oppose policies that do not meet the principles of the Colorado Health Policy Coalition for providing affordable high-quality health coverage to Colorado's nonprofit organizations and the people they serve.
- Consider the costs and benefits of other strategies to help nonprofits save money through association health plans or other forms of cooperative purchasing.

***We encourage regulation of the nonprofit sector that appropriately balances protecting public interests with avoiding burdensome and undue penalties and reporting requirements***

**Goal:** Laws regulating Colorado's nonprofit community should protect donors from fraud, increase transparency, and encourage them to give wisely. These laws also should not impose undue penalties or reporting burdens that undermine nonprofits' community services.

**Background:** Nonprofits that solicit funds from the public must register and report their fundraising activity each year under the Colorado Charitable Solicitations Act (CCSA). To ensure this information is easily accessible to prospective donors, nonprofits must register and report on time to avoid late filing fees or fines. CCSA is updated every few years to ensure compliance and prevent fraud.

**Ongoing Actions:**

- Support multi-state online filing and other resources to ensure nonprofits can easily register in all states where they solicit contributions.
- Support updates to the Colorado Charitable Solicitations and Consumer Protection Acts when they help make regulation reasonable and effective and support nonprofit transparency.

***We support fiscal and budgetary policies that help nonprofits meet community needs***



**Goal:** Nonprofits should participate actively in public discussions of fiscal policies that affect available public and private resources to serve communities.

**Background:** Fiscal and budgetary policies adopted by governments reflect the values and priorities of our communities and our nation. Nonprofits have a stake in fiscal and budgetary policies that support governments' ability to be transparent, have stable resources, and grow as needed to support the people they serve.

**2019 Actions:**

- Inform and advocate for addressing the negative impacts of the Gallagher Amendment on funding for local schools, fire departments, and other local public services

**Ongoing Actions:**

- Educate nonprofits on Colorado's fiscal challenges and provide them with tools to educate the public.
- Participate in efforts to resolve conflicting fiscal mandates that prevent state government from collecting sufficient revenues to meet state needs. This includes TABOR, Amendment 23, the Gallagher Amendment, and other such laws.
- Evaluate proposed federal budget cuts on programs that address the needs of people served by nonprofits and affect nonprofits' capacity to meet community needs.
- Oppose the use of arbitrary formulas to cut governmental budgets. Governments should consider the merits and impact of programs that serve the public before deciding to implement cuts.

***We support the ability of nonprofits to comply with employment laws and pay competitive wages***

**Goal:** Colorado's employment laws should support the ability of nonprofit organizations to hire talented employees and pay them competitive wages.

**Background:** People work for nonprofits to make a difference in the communities where they live. Because most nonprofits are small businesses and many of them rely on donations and grants, generating sustainable revenue to attract and retain quality employees is an ongoing challenge. Colorado's employment laws should balance protection of employees' workplace rights with avoiding undue costs and burdens on nonprofit organizations.

**2019 Actions:**

- Provide information and resources to help nonprofits respond to any proposed changes to state and federal overtime rules.

**Ongoing Actions:**

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- Advocate for public policies that balance protection of employees' rights with reasonable requirements for the nonprofits that employ them.
- Support public policies that help nonprofits hire or retain high quality employees by generating additional revenues from public or private sources, or otherwise reducing their operating costs.

***We support nonprofits' integral role in job creation and economic development in Colorado.***

**Goal:** State and local public policies should facilitate meaningful participation by the nonprofit sector in Colorado's economic development and foster job creation by nonprofits

**Background:** Like private sector businesses, nonprofits create jobs and make essential contributions to Colorado's economy. However, many state and local job creation and economic development policies do not apply to nonprofits because they are based on income tax incentives or are targeted to specific industries.

**2019 Actions:**

- Release a report on the Colorado nonprofit sector's economic impact.
- Comment and encourage nonprofits to comment on the 2019 tax expenditure review of the enterprise zone program.
- Oppose weakening the Public Service Loan Forgiveness Program

**Ongoing Actions:**

- Encourage state and local government agencies to include nonprofits in public economic development plans and community-based discussions.
- Advocate for state public policies that facilitate job creation and economic activity by nonprofits specifically or by all businesses generally including nonprofits.
- Facilitate ongoing collection and communication of the nonprofit sector's employment and economic impact data.
- Support policies that help reduce the cost of operating nonprofit organizations in Colorado including rental, ownership, or sharing of office space.

***We support policies that allow nonprofits to engage in nonpartisan advocacy and civic engagement activities***

**Goal:** Advocate for public policies that support nonprofits' ability to develop sound public policy, help people vote, and facilitate public involvement in key societal discussions in a nonpartisan manner.

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**Background:** Federal and state laws establish limits and reporting requirements for nonprofits' lobbying activity. These laws deter some nonprofits from advocacy work because they are unclear about what activities must be reported and how to determine their limits.

### 2019 Actions

- Oppose policies that weaken or repeal the ban on political activity by 501(c)(3) charitable nonprofits (also known as the Johnson Amendment).

Support a complete and accurate 2020 Census count by advocating for sufficient funding to support the Census outreach effort and opposing inclusion of a question about citizenship. **Ongoing Actions:**

- Preserve nonprofits' right to advocate and participate in policymaking.
- Work with national partners to educate nonprofits and clarify lobbying rules.
- Support clear and simple reporting of lobbying activities and remove barriers to nonprofit participation.