



Virtual Town Hall Meeting

December 15, 2022

KNN Delivers for KY Nonprofits

- ✓ \$75 million appropriation in the 2022 budget to establish the Nonprofit Assistance Fund with American Rescue Plan Act funds
- ✓ Assisted members contracting with the state in establishing a unified voice – efforts resulted in millions in funding in the 2022 state budget
- ✓ Watered down 2022 attempts to erode Johnson Amendment at state level
- ✓ \$51.5 million appropriation in 2020 from Governor Beshear to address unemployment claims of self-insured nonprofit employers



March 8, 2023

SAVE THE DATE:
KY NONPROFIT DAY AT THE CAPITOL
MARCH 8, 2023



WWW.KYNONPROFITS.ORG

Strengthening communities through a strong nonprofit sector and workforce:

- Advocate for strategic investment of remaining Nonprofit Assistance Fund dollars, established through a 2022 appropriation of state ARPA funds, to strengthen the capacity of Kentucky's nonprofit sector.



Strengthening communities through a strong nonprofit sector and workforce:

- Support legislation and policies that support initiatives to ensure a living wage and employee benefits that empowers nonprofits to be employers of choice and compete in the marketplace for employees, ensuring that nonprofits can address the workforce shortage and that quality and effective services exist for Kentuckians.

Strengthening communities through a strong nonprofit sector and workforce:

- Advocate for state data collection on the economic importance of Kentucky's nonprofit sector.

Public-private partnerships for the public good:

Promote and support executive action or legislation that address systemic problems with nonprofit-government contracting, including streamlining contracts and contracts paying its nonprofit partners for the cost of doing business (as outlined in the final recommendation of the Government Contracting Task Force, 11/15/16).

Public-private partnerships for the public good:

- Advocate for the General Assembly to establish a budgetary policy that requires the commonwealth to sufficiently fund their partnerships with the nonprofits the state has chosen to contract with for the provision of statutorily required services, as well intervention and prevention services – ensuring that effective, quality, uninterrupted services exist for the residents of the commonwealth and that nonprofits can maximize the full impact of taxpayer dollars.



KNN's Survey

State Contracting Challenges Impacting Your Organization

▼ Agreement rates do not rise with cost increases over time	72%
▼ Agreement rates do not cover adequate administrative (indirect) costs	65%
▼ Reimbursement basis (receiving payment after delivering services, which requires us to “float” government)	59%
▼ Requirement for matching funds	54%

KNN's Survey

Top Priorities to Addressing State Reform

	MOST IMPORTANT (1)	SOMEWHAT IMPORTANT (2)
Agreement rates do not rise with cost increases over time	78%	15%
Agreement rates do not cover adequate administrative (indirect) costs	66%	29%
Agreements do not allow for our organization to pay living/competitive wages for staff	66%	27%
Reimbursement basis (receiving payment after delivering services, which requires us to "float" government)	41%	41%

KNN's Survey

- “ Our biggest issue is rates not paying for true cost of service and the expectation that we will just "raise the additional dollars." Most government agencies and legislators do not understand how nonprofit organizations work and have unrealistic expectations. ”
- “ Medicaid reimbursement doesn't come close to cover the cost of providing care. 3 more pediatric outpatient centers have closed in the last 18 months due to financial reasons, the burden on the providers left is going to continue to increase and leave more children without the medical services they need. ”

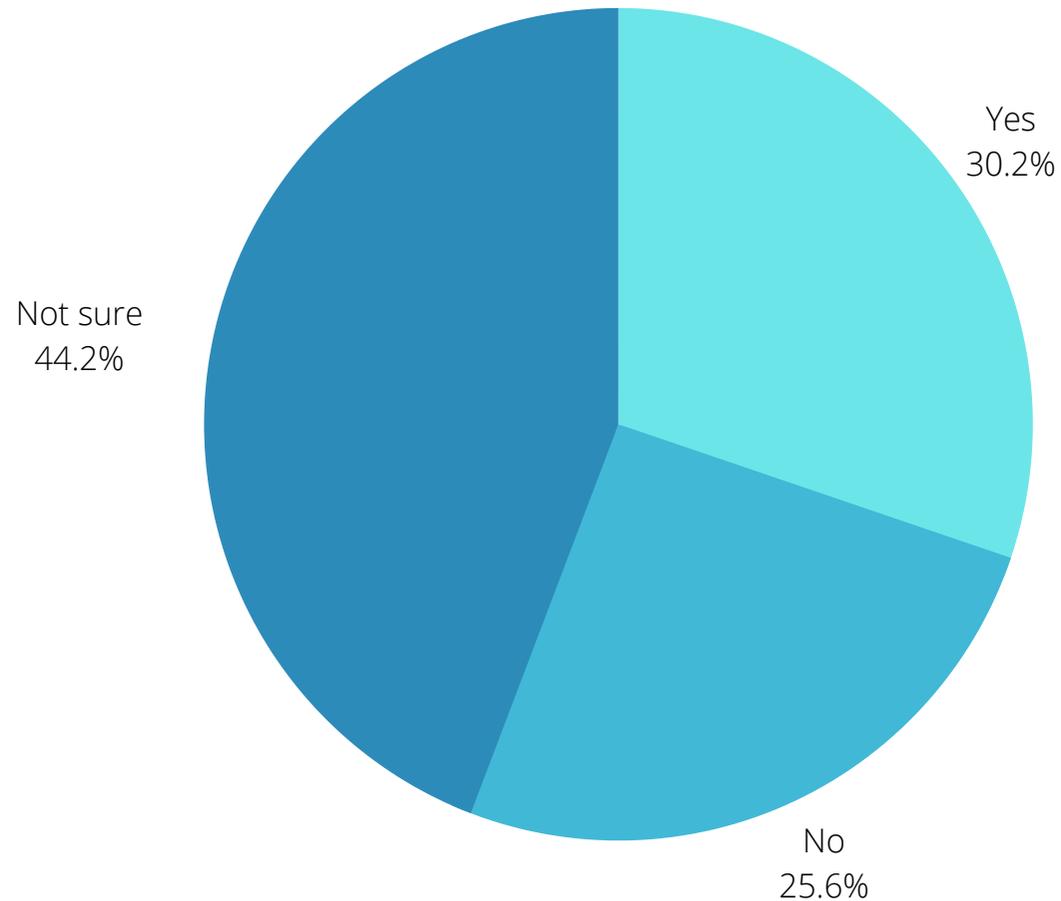
KNN's Survey

“ When we ask for approval of changes to agreements, we sometimes wait up to a year for an approval. Grants management staff are unresponsive to inquiries leaving us stuck and unable to be as effective in service delivery as is needed. ”

“ It is difficult (impossible?) to do any long-term planning (growth of the agency, space, staffing, outreach) when we do not know if the funding will be there in 3-5 years. ”

KNN's Survey

Do any staff members employed by your organization receive public assistance benefits (for example, child care assistance, TANF, Medicaid, KCHIP)?



Public-private partnerships for the public good:

- Advocate for spending decisions that promote fiscal stability and growth in the Commonwealth, while also ensuring the work of nonprofits to serve Kentuckians and meet community needs is sustained and protected.

Public-private partnerships for the public good:

- Advocate for rate increases and/or increased funding for nonprofits contracting with government to provide legally required services on behalf of the Commonwealth starting July 1, 2023.



Tax policy that empowers community solutions through nonprofits:

- Support expanded, enhanced and new tax and other incentives for individuals and businesses, including a universal non-itemizer charitable giving tax deduction, at the federal and state level to encourage individuals to give generously to the work of charitable nonprofits. Actively oppose floors, caps or limits on existing incentives that would harm the sector's ability to leverage philanthropic support.

Tax policy that empowers community solutions through nonprofits:

- Oppose the imposition of taxes, fees, or payments in lieu of taxes (PILOTS) on tax-exempt nonprofits, as well as oppose requirements to collect and remit sales and use taxes from individuals receiving services from charitable nonprofits.



Tax policy that empowers community solutions through nonprofits:

- Maintain and – where appropriate – expand nonprofit exemptions from paying state and local property, sales, and use taxes.

Nonprofit advocacy rights and civic engagement:

- Preserve the integrity of charitable nonprofits by supporting the tax-law ban on electioneering and partisan political activities.
- Oppose restrictions on the advocacy rights of charitable nonprofits.
- Oppose legislation, policies, and practices that prevent individuals from voting and exercising their civic responsibilities.

Nonprofit independence and public accountability:

Support reasonable and non-burdensome regulations and policies that allow nonprofits to earn and maintain public trust through appropriate transparency. Oppose policies or legislation that impose increased costs, burdens, barriers, limitations, or liabilities on nonprofits – negatively impacting their ability to effectively accomplish their core mission.



Nonprofit independence and public accountability:

- Oppose policies and legislation that do not ensure that personal information about individual donors to 501(c)3 charitable nonprofits remains protected from public disclosure, while also ensuring that government agencies that regulate 501(c)3 charitable nonprofits and other exempt organizations have access to the information they need to protect the public and the integrity of the nonprofit sector by providing oversight of nonprofits.

Public Policy Agenda

- Kentucky Nonprofit Network's public policy agenda provides clear principles common to all nonprofits regarding policy priorities at the federal, state, and local levels. The following agenda represents our annual framework for addressing public policy that impacts and strengthens nonprofits in Kentucky.
- Nonprofit Sector Public Awareness – Educate policy makers and the general public on the breadth, scope and economic importance of the nonprofit sector in Kentucky and in the United States.
- Nonprofit Exempt Status Protection – Support actions to preserve and protect the tax-exempt status of nonprofits and promote policies that strengthen the nonprofit economy.
- Charitable Giving and Volunteerism – Preserve and enact policies that effectively incentivize citizens to donate and volunteer to support the work of Kentucky's charitable organizations.
- Nonprofit-Government Relations – Improve and strengthen the nonprofit-government relationship through reforms to the contracting and grant making processes. Advocate for government's payment of the full cost of services provided on its behalf by nonprofits. Encourage all nonprofits to be meaningful participants in the state and local budget processes.
- Advocacy and Lobbying Rights, Civic Participation – Protect the rights of all 501 (c)(3) organizations to advocate for their respective missions and strengthen the ability of Kentucky nonprofits to engage in the public policy arena. Protect nonprofits' right to promote democracy and civic participation, including voting, on a non-partisan basis.
- Best Practices and Accountability – Support actions which provide fair and reasonable expectations of accountability within the nonprofit sector. Enhance the ability of Kentucky nonprofits to function at the highest levels of governance, integrity, efficiency, and transparency and be accountable to the public they serve, while working to ensure that registration and disclosure requirements are necessary, reasonable, and non-burdensome.
- Economic and Workforce Development – Support actions that enhance and strengthen the nonprofit sector's vital role in Kentucky's economy. Actively engage in advancing policies that support diverse, equitable and inclusive workplaces and communities that will help all Kentuckians thrive, including policies and legislation that address systemic inequities. Oppose legislation or actions that adversely impact or threaten the effectiveness of nonprofits, including employment laws and rules, alternative funding mechanisms and sector independence.