



2018 Public Policy Agenda

About the Alliance

The Alliance of Arizona Nonprofits is a unifying association formed in 2004 to advance the common interests of more than 20,000 nonprofits in Arizona, representing over 150,000 employees and 500,000 volunteers. The Alliance is an action-oriented group of partners across the state – both nonprofits and those in the community who support them – dedicated to furthering the common interests of Arizona’s nonprofit community. The Alliance does this by serving, supporting, protecting, and promoting the nonprofit sector through various programs, resources and advocacy efforts. Learn more at arizonanonprofits.org.

Our Role in Public Policy

Overall, the Alliance supports public policy which contributes to a sound economy, promotes economic well-being for all residents, protects vulnerable populations, preserves our unique land and climate, and advances our common efforts to solve public problems. It is those overarching public goals which drive the work of Arizona’s nonprofits, and the Alliance urges policy makers to effectively engage nonprofits as partners in addressing public policy issues.

The Alliance encourages the nonprofit community to engage in public policy advocacy for issues that affect individual segments of the community. While it may not be appropriate for the Alliance to play a leadership role in such matters, the Alliance will make every effort to share information and provide opportunities for nonprofits to network and collaborate on these subsector advocacy efforts. The Alliance will also provide and support training opportunities that encourage nonprofit members to engage in public policy advocacy efforts.

To that end, we and our members are guided by the following principles and stand behind the agenda items outlined below.

Guiding Principle: Nonprofits and Government Working Together

Nonprofit/Government Partnership

The Alliance recognizes that the partnership between government and nonprofits can be reformed to promote innovation, collective models of impact and streamlined processes, all of which serve the long-term interests of taxpayers and communities. The Alliance supports efforts to transform the way in which state agencies and nonprofits interact, with a long-term goal of maximizing collective impact

for the people of Arizona. In particular, the Alliance supports implementation of policies, rules, regulations and laws which ensure that the full cost of services contracted to nonprofits by federal, state and local governments are paid for by the public funds dedicated to the service.

State and Federal Fiscal Policy

The Alliance favors a balanced approach to fiscal policy which:

- Provides adequate support for public programs which are widely supported by citizens;
- Supports levels of resources for quality of life and public infrastructure which are necessary for the long-term economic growth and health of the nation and the state of Arizona;
- Avoid undue hardships on the most vulnerable residents of our communities to achieve budget balance;
- Addresses the community's needs comprehensively, avoiding false choices that pit one set of programs against others in a competitive framework; and
- Permits the flexibility of policy makers to address changing and vital community needs, especially those which support nonprofits in their efforts to assist communities and contribute to the long term economic development of Arizona.

Regulation of Nonprofits

The Alliance recognizes that nonprofits – as private organizations, but also part of civil society – are successful by earning and maintaining public trust. To that end, the Alliance supports laws, regulations and policies which promote public transparency, and strike a proper balance between the independent activities of nonprofits and the need to protect and inform the public.

The Alliance opposes legislation that imposes unreasonable regulatory burdens on nonprofit organizations and stifles the ability of nonprofits to pursue and fulfill their missions, and supports regulatory reform that advances the common interests of taxpayers and nonprofits. The Alliance supports a fundraising registration system, which provides citizens a transparent means to determine whether someone asking him or her for a donation represents a nonprofit or cause which can be contacted and vetted by the donor, and protects both contributors and legitimate nonprofits from disreputable and fraudulent fundraising.

Some examples of previous actions:

- *Support for implementation of federal Office of Management and Budget guidelines that call for full costs of services to be paid by state and federal agencies to nonprofit contractors. Alliance action has focused on training for nonprofits eligible to include full costs in their contract negotiations.*
- *Support for nonprofit registration system that would allow consumers and donors to vet the legitimacy of nonprofits operating in the state.*
- *Opposition to sector- or organization-specific exclusions from the State Employees Charitable Campaign that could be precedent-setting in allowing the state to select “winners and losers” in employee’s personal workplace giving choices.*
- *Support for dedicated funding for education through both a temporary and permanent sales tax.*

Some 2018 actions anticipated:

- *Continued support for OMB guidance implementation by federal and state agencies.*
- *Monitor federal and state budget proposals for impacts to the nonprofit community.*

Guiding Principle: Protecting the Underlying Purpose of a Nonprofit

Tax Exemption

The Alliance opposes changes to the underlying exemption of nonprofit corporations from corporate income and property taxes at federal, state and local levels of government. Furthermore, the Alliance opposes the imposition of fees or other costs on nonprofit corporations, which have the effect of removing existing exemptions for nonprofit corporations.

Governing Law for Unincorporated Associations

Many nonprofit associations in Arizona, for one reason or another, cannot or have not chosen to become a nonprofit corporation. Unincorporated nonprofit associations are the only type of organization for which Arizona has not enacted modern comprehensive governing statutes, even though there are references to such associations throughout Arizona Revised Statutes. The Alliance favors a basic comprehensive legal framework governing all unincorporated nonprofit associations formed or operating Arizona.

Some examples of previous actions:

- *Defense of the Johnson Amendment, which protects non-profit non-partisanship and builds trust and respect for the nonprofit community.*

Some 2018 actions anticipated:

- *Continued defense of the Johnson Amendment.*
- *Oppose tax reform proposals that would add new taxes on endowments and other nonprofit mechanisms.*

Guiding Principle: Promoting Community Support for Nonprofits

Charitable Giving and Tax Incentives

The Alliance supports state and federal tax incentives, including the federal charitable income tax deduction and the Arizona Charitable Organization Tax Credit, that encourage charitable giving by individuals, businesses and institutions. We will evaluate the impacts of proposed changes to these incentives balanced with other fiscal and social policies which address the critical needs of vulnerable populations served by nonprofits. We oppose efforts to change or eliminate such tax incentives in a way that could reduce the level of contributed income for nonprofit organizations.

Service and Volunteerism

The Alliance opposes measures that would significantly reduce or eliminate funding and other incentives for national, state, local and private community service programs.

Charitable Gaming

The Alliance favors rules and policies that allow nonprofit organizations to utilize fundraising tools such as small raffles, wine pulls, and auctions, consistent with all other restrictions and regulations.

Arizona 2-1-1

The people served by Arizona's nonprofits deserve to have easy access to information about how to get help when facing a crisis or following a disaster, and how to learn more about services to meet their basic human needs. Arizona 2-1-1 is a community information and referral system that most efficiently meets that need. However, Arizona's current system is inadequately funded, puts this public service in competition for resources with the very services it supports, and fails to serve thousands of people every year who are turned away for lack of capacity. The Alliance supports a permanent dedicated funding source to maintain Arizona 2-1-1 as a valuable public service in our communities.

Some examples of previous action:

- *Supported continuation of Arizona Charitable Tax Credit (formerly Working Poor Tax Credit) program.*
- *Shared information regarding efforts to increase the donation levels and extend the donation window for the Arizona Charitable Tax Credit. However, the Alliance did not take a position in support of or opposition to the expansion of the credit.*
- *Successfully lobbied for amendment of legislation for nonprofits involved with wine pulls and other liquor-related fundraising activities, and provided training to nonprofits on related regulations.*
- *Supported federal tax reform initiatives that make it easier for all Americans to utilize federal tax incentives for charitable giving.*

Some 2018 actions anticipated:

- *Protect the federal charitable tax deduction.*
- *Continued support for federal tax reform initiatives that make it easier for all Americans to utilize federal tax incentives for charitable giving.*
- *Support for Americorps and other community service programs that benefit nonprofit organizations and develop nonprofit leadership.*

Guiding Principle: Advancing the Nonprofit Role in Advocacy

Advocacy Rights

The Alliance supports protection of the advocacy rights of all nonprofit organizations and efforts to strengthen the ability of Arizona nonprofits to engage in the public policy arena. The Alliance also

supports laws and initiatives which promote and expand civic engagement of the people of Arizona, and specifically promote and expand the registration, education and participation of voters in the democratic process.

The Alliance supports the existence of appointed boards and commissions as a means of promoting the public's voice in public policy matters. The Alliance also supports the participation of nonprofits and individuals on these appointed public boards and commissions, and generally opposes efforts to limit such civic engagement.

Social Welfare Organization Reform

Recent changes to the federal campaign finance regulatory environment and a subsequent dramatic increase in dollars spent to influence federal, state and local government elections are confusing the public about the role and meaning of 501(c)4 social welfare nonprofit organizations. The Alliance supports measures which clarify the proper role of 501(c)4 organizations in electoral politics, promote transparency and civic engagement, and create clear lines of differentiation between nonprofits permitted to engage in electoral activities and those that cannot. The Alliance also urges lawmakers to clearly define electoral activities in a way that distinguishes them from non-electoral activities which 501(c)3 nonprofits are permitted to undertake.

Some examples of previous action:

- *Supported open primary elections.*
- *Provided advocacy training to encourage nonprofit member engagement in public policy.*
- *Hosted an annual "Day at the Capitol" to provide an opportunity for the nonprofit community to highlight their work and collective impact, and to advocate for policies that support that work.*
- *Monitored and reported on federal and state legislative activities that impact nonprofits.*
- *Issued action alerts to encourage nonprofit engagement on specific issues of significance to the sector.*
- *Defended the Johnson Amendment, which protects nonprofit non-partisanship and builds trust and respect for the nonprofit community.*

Some 2018 actions anticipated:

- *Provide advocacy training to encourage nonprofit member engagement in public policy.*
- *Host an annual "Day at the Capitol" to provide an opportunity for the nonprofit community to highlight their work and collective impact, and to advocate for policies that support that work.*
- *Monitor and report on federal and state legislative activities that impact nonprofits.*
- *Issue action alerts to encourage nonprofit engagement on specific issues of significance to the sector.*
- *Continued defense of the Johnson Amendment.*

Guiding Principle: Maximizing Nonprofit Effectiveness

Nonprofit Innovation and Productivity

The Alliance favors federal and state laws and public policy which encourages innovative and efficient models for addressing community needs, financing nonprofit operations and promoting collaboration across the sector and between business, government, philanthropy and nonprofits.

Nonprofit Capacity Building

Governments at all levels rely on nonprofit organizations to provide critical services and programs to individuals and communities. Support for nonprofit capacity building programs is designed to promote effectiveness in the delivery of government-funded services, improve a nonprofit organization's ability to achieve its mission, and help nonprofit employers sustain themselves over time. The Alliance supports federal and state laws which provide resources to support nonprofit capacity building.

Employment Policies

The Alliance recognizes that each nonprofit plays a role as both a social advocate, and as an employer and business. The Alliance will support a balanced approach to employment policy revisions that enable individuals to live sustainable, productive lives. However, these revisions must also include revisions to existing and future government grants and contracts, through which nonprofits provide community services on behalf of governments, so that nonprofits are compensated for the actual increased cost of providing services.

Equity, Diversity, and Inclusion

The Alliance recognizes that the rich and diverse experiences, perspectives, and values of our entire community should be reflected in all aspects of our work, including the Alliance and nonprofit sector's public policy engagement. The Alliance will support inclusive public policies, and will work to advance internal and external processes that promote diverse voices in the development and implementation of public policy. These voices should include, in particular, those groups and individuals who have been historically underrepresented or marginalized.

Some examples of previous action:

- *Monitoring, reporting, and training on proposed overtime regulation changes and the related impacts on nonprofits as community organizations and as employers.*
- *Monitoring, reporting, and training on proposed minimum wage increases and the related impacts on nonprofits as community organizations and as employers.*
- *Following passage of a minimum wage increase, the Alliance advocated for changes to state contracts to ensure the wage increases were included in nonprofit contracts.*
- *Protection of tribal gaming grants awarded to nonprofits, as well as education of the nonprofit sector regarding these gaming grants.*
- *Training and outreach to nonprofits and government partners regarding Office of Management and Budget guidance that the full cost of contracted services (including "overhead") should be funded by federal contracts, including contracts passed through states to nonprofit contractors.*

Some 2018 actions anticipated:

- *Continue to support contract changes to ensure the full cost of services provided by nonprofits are covered by state and federal contracts.*
 - *Monitor liquor license fee increases that could impact nonprofits.*
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Adopted by the Alliance Board of Trustees – .

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