2019 MNN Public Policy Agenda

The Massachusetts Nonprofit Network (MNN) is the voice of the nonprofit sector, bringing together nonprofits, funders, community and business leaders, and elected officials to strengthen nonprofits and raise their voice on critical issues. MNN understands that strong nonprofits build strong communities. MNN works to strengthen nonprofits through advocacy, public awareness, and capacity building. Critical to MNN’s mission is a robust public policy agenda focused on three goals important to the entire nonprofit sector:

Helping the People Served by Nonprofits
The first focus of nonprofits is the people they serve. Nonprofits serve people from all backgrounds, in every part of Massachusetts, who have an incredibly wide range of aspirations and challenges—in short, everyone. As an organization representing the entire nonprofit sector, MNN works with partners to advance issues that cut across subsectors and affect people served by most or all of them. Specifically, MNN supports:

- Ensuring a complete count in Massachusetts for the 2020 Census. The Census is critically important to nonprofits, the people they serve, and the communities they work in across Massachusetts. MNN is playing a lead role in coalitions—some formal and some informal—of foundations, civic organizations, government leaders, and other nonprofits working for a complete count.
- Reducing and eliminating “cliff effects,” which can force people served by nonprofits to choose between income growth and the loss of vital services. State leaders have expressed an interest in reducing cliff effects and MNN can help advance that work. As outlined in an earlier edition of MNN’s Commonwealth Insights publication, cliff effects result from income-based eligibility rules for public services. They are unintended but have pernicious effects.
- Expanding nonpartisan efforts to promote democracy, civic participation, and voting. Nonprofits know, from daily experience, how important civic participation is to the people they serve and the communities they work in. MNN can work with partner organizations to promote civic engagement by nonprofits, the people they serve, and everyone in the broader community.

Strengthening Nonprofits’ Ability to Serve People and Communities
Nonprofits are a cornerstone of our communities. They provide a critical safety net and improve our quality of life, often in close partnership with government. MNN is committed to strengthening nonprofits’ ability to serve people and communities—service which has transformative effects.
Specifically, MNN supports:

- Matching reporting requirements to the size of nonprofits, including the elimination of duplicative requirements placed upon small nonprofits. Each year Massachusetts requires nonprofits with annual revenues between $5,000 and $50,000 to file the 52-question federal Form 990-EZ, plus the much longer Schedule A with it if they are 501c(3)s—even though the federal government does not require them to. This is an unnecessary and costly requirement. The 15-page state Form PC, which all public charities in Massachusetts are required to file each year, provides the state with ample information on the operations of nonprofits.

- Improving state policies that affect nonprofits as employers, including the new paid family leave policy and the employer medical assistance contribution. The implementation of the first, which is just beginning, will be complex. State leaders have asked MNN to work with them as regulations and operating practices are crafted. The cost of the second is borne disproportionately by organizations that have part-time and seasonal employees, as do many nonprofits in Massachusetts. It is slated to expire at the end of 2019. Diligent advocacy is needed to ensure that it does and that legally-authorized hardship exemptions can take effect.

- Enhancing the sustainability of state funding through long-term funding continuity and full and timely payment for services, including indirect and administrative costs. Coverage of those costs is critical to the effective operation of nonprofits. This effort will include work on results-driven funding models, which if successful can bring new funds into the sector for the delivery of services.

- Partnerships between state government and the nonprofit sector, to improve the delivery and coordination of services. Improving the coordination of services delivered to people served by state government and nonprofits is a recurring theme of conversations with state government leaders. MNN can work with nonprofit and government leaders on partnership strategies (e.g. streamlining procedures, data-sharing) that maximize the effectiveness of both sectors.

**Ensuring Fair Tax Policy and Supporting Accountability**

Nonprofit organizations serve the public interest and advance the common good. Sound tax policy is critical to the success of nonprofits and the quality of life in the Commonwealth. MNN is committed to preserving the tax-exempt status of nonprofits, expanding incentives to contribute, and supporting policies that promote transparency and accountability to preserve the public trust. Specifically, MNN supports:

- Protecting the nonprofit tax-exempt status and educating decision-makers on the community benefits that nonprofits provide. The need to do so continues in the wake of recent laws at the federal level and proposals at the state level. The tax-exempt status is
an important issue for all types of nonprofits, in every subsector of the nonprofit world.

- Improving the federal charitable tax deduction and re-establishing the state charitable deduction. The federal deduction has disappeared for millions of middle-income taxpayers as a result of the 2017 federal tax bill, and it has never been available to low-income taxpayers. The state deduction is scheduled to be restored in 2022 or 2023. It will also promote increased giving, and the need for it is greater in the wake of the federal tax bill.

- Preserving the integrity of the sector by promoting best practices for nonprofit fiscal management. Sound fiscal management is important for every organization but especially important for nonprofits, whose constituents, funders, and supporters count on them every day. Sound fiscal management is also essential given nonprofits’ legal status as organizations to the public good.

MNN thanks its members for their expertise and support. MNN looks forward to continuing to represent the sector to decision makers at all levels of government, working collaboratively with its members and the broader nonprofit community.