



2024–25 Advocacy Plan

Introduction & Strategic Framework

The New Jersey Center for Nonprofits' mission is to build the power of New Jersey's nonprofit community to improve the quality of life for all people of our state.

To pursue its mission, the Center works to:

- **Champion and advocate** for the nonprofit community as an indispensable part of the social and economic well-being of New Jersey and its residents.
- **Advance knowledge and promote learning** to foster effective, ethical organizations in furtherance of the public good.
- **Convene and foster connections** between and among nonprofit organizations and their champions, as well as partners in government and for-profit business, in order to enhance collective strength.
- **Advance diversity, equity, and inclusion** within our own organization, the nonprofit sector and the broader community and beyond.

The New Jersey Center for Nonprofits' internal and external activities reflect our commitment to advancing diversity, equity and antiracism, and we are working continuously to grow that commitment. Our 2021–2024 Strategic Plan emphasizes diversity, equity and antiracism as critical to our organizational vision, sustainability, and future direction. This Advocacy Plan seeks to reflect this permanent and intentional commitment as a core value infused in our own internal operations and external programming, including all advocacy efforts, to advance diversity and equity in the nonprofit community. With these values in mind, this plan and priority issues will be revisited regularly.

Strategies to achieve these goals include:

- Continuing to expand and deepen relationships with policy makers and the philanthropic community, and highlight the societal and economic importance of the nonprofit community and these strong partnerships to the well-being of our state.
- Broadening our Advocacy Committee and other alliances to ensure a diversified and equitable cross-section of perspectives and interests.

- Reviewing our public policy priorities and positions to ensure that they are equitable, antiracist, and respond to the needs of historically excluded or marginalized communities.
- Developing an annual framework or rubric for gauging the nonprofit policy landscape in New Jersey.
- Through information-sharing and educational sessions, action campaigns, advocacy alerts and other means, working with key players, partnering with advocates and other constituencies to advance an equity strategy statewide.
- Connecting nonprofits with resources and advocacy leaders to help them engage on equity-related issues and using our platforms to encourage more nonprofits to become active on public policy overall while approaching advocacy through an equity lens.

Advocacy Priorities for 2024–25

Highlight the New Jersey nonprofit community, its importance and its issues, to the Murphy Administration, State Legislature, and our state’s Congressional Delegation.

As our state and nation face economic uncertainty and lingering adverse impacts of the COVID-19 pandemic, charitable nonprofits continue to make extraordinary contributions for the wellbeing of the people and communities they serve. Yet charitable nonprofits face an unprecedented workforce shortage, increased costs, and skyrocketing demand, so immediate and long-term support from governments is needed.

The new (2024-25) legislative session will include more than 30 new legislators (out of 120) and provides an important and renewed opportunity to advance a fuller understanding and appreciation for the social and economic connections between a healthy, vibrant nonprofit community and a healthy, vibrant New Jersey, and to promote key priorities in our policy agenda. We will continue to build strong partnerships with our public officials in order to strengthen communities and society across the state. At the same time, it remains vital to be active on federal issues with our national partners, and to encourage nonprofit involvement in advocacy and civic engagement at all levels of government.

Possible Action Steps:

- Develop a yearlong, nonpartisan communications strategy to highlight the importance of the nonprofit community and set forth positions on important

issues that can affect the ability of nonprofits to pursue their public-benefit missions.

- Convene regional or virtual gatherings of nonprofits and constituencies to help inform the development and execution of this strategy and gain buy-in from the community. Such gatherings could be in-person, virtual, and/or organized by region, statewide or in other ways.
- Develop various documents/media/distribution mechanisms (whitepapers, exec summaries, infographics, short videos, taglines, etc.) for key audiences as appropriate. Distribute to government officials, as well as media (consider press event if appropriate), funders, nonprofits, business leaders, and other key stakeholders.
- Continue to provide assistance to the Murphy Administration and Legislature regarding nonprofit issues.
- With the Council of New Jersey Grantmakers, convene a joint public policy summit to encourage dialogue, education, and relationship-building among nonprofits, government leaders, and philanthropy.

Strengthen and Encourage Increased Equity in Government/Nonprofit/Philanthropic Partnerships

The nonprofit community has a long tradition of working in partnership with governments and philanthropy to identify and address public needs, as reliance on nonprofits to deliver vital programs and services continues to grow. This relationship depends upon the ability of all partners to exchange information, ideas and recommendations freely. When policies are enacted on a piecemeal basis or without sufficient input from nonprofits, from communities proximate to the issues, and/or from others with in-depth knowledge of these issues, or when grants and service contracts cross inappropriately into micromanagement, the result is inefficiency, ineffective policies, and wasted resources for nonprofits and the state alike.

The current state contracting system in New Jersey is also fraught with problems that have significant social, economic, and equity implications across the nonprofit sector.

- Inherent weaknesses in the process tend to favor larger, more experienced applicants who are in a position to subsidize the inefficiencies and funding inadequacies in the system.
- The process is cumbersome and requires significant resources and “insider knowledge” to successfully manage the contracting process.

- Inertia is a powerful force in the state's renewals of grants and contracts, making it hard for historically excluded stakeholders to break in.

With studies repeatedly showing inequitable in funding streams to nonprofits run by or serving communities of color, the equity implications of this system are significant. Organizations that are better resourced are in a better position to navigate this system, while those that are under-resourced will continue to be shut out.

We will continue to strengthen nonprofit/government partnerships by:

- fostering government policies and practices that reflect an awareness and appreciation of the vital economic and social importance of the nonprofit community;
- encouraging government and philanthropy to more systematically seek and incorporate nonprofit and equity concerns into their policies and procedures;
- promoting specific improvements to streamline regulations and grant and contracting requirements; and
- encouraging more cross-communication between and among government agencies, nonprofits and philanthropy.

Possible Action Steps:

- Ramp up advocacy for administrative and legislative solutions to streamline needlessly burdensome regulations and procedures affecting nonprofits.
- As national studies, numerous nonprofit advocates and the Center's own "rapid response" surveys have shown, the government/nonprofit contracting system is broken, siphoning scarce resources away from providing programs to needlessly burdensome administrative costs. Problems such as contracts that don't cover the cost of services, late payments, delayed contract execution, overly complex and duplicative monitoring and auditing procedures, are commonplace in New Jersey.

Areas to prioritize for legislative or administrative solutions include:

- Using a focused DEI lens to pursue reforms in the contracting environment to make the state contracting process more equitable. Possible improvements include updating the previous recommendations to the Red Tape Review Commission with special attention to areas that would promote equity in government grants, and expanded outreach and education efforts to BIPOC-led organizations to insure they are aware of all grant opportunities.
- Prioritizing legislation to reduce duplication of government audits of nonprofits.

- Promoting legislation to create and adequately staff, empower, and resource a government ombudsman to address nonprofit contracting concerns.
- Promoting procedural, regulatory and legislative changes as needed to reduce excessively duplicative application, reporting, compliance and monitoring requirements.
- Working to ensure government compliance with the federal OMB Uniform Guidance contracting requirements, including but not limited to indirect cost reimbursement provisions, including applying these indirect cost principles to state-funded grants and contracts.
- Simplifying and strengthening the myriad background checking requirements into a more comprehensive, cohesive system that is less confusing, less costly and yields more reliable results. This is a significant problem for many nonprofits, especially those that serve historically excluded or marginalized people.
- Working collaboratively with the Council of New Jersey Grantmakers and other allies on initiatives such as “Doing Good Better” to promote stronger partnerships and equity among nonprofits, philanthropy, and government for the greater good.

Promote nonpartisan voting/civic engagement and voting rights

Nonprofits have a unique and vital role to play in promoting nonpartisan civic engagement and safeguards for voting rights and access. The Center will build on our prior work in educating nonprofits about the ability – and the imperative – to be involved in public policy and civic engagement, and will promote policies to enhance and protect access to voting.

Improve the Fundraising and Operational Climate for New Jersey’s Nonprofits

- **Promote a State Level Tax Incentive for Charitable Giving.**

A charitable giving tax deduction would encourage increased giving in the Garden State, and would help to mitigate the lingering impacts of 2017 federal tax law changes on nonprofits and New Jerseyans. New Jersey remains among the minority of states that does not offer any form of state-level tax incentive for charitable giving. Legislation that would allow a charitable contributions deduction under the NJ gross income tax has been re-introduced in the last three legislative sessions, but has stalled despite bipartisan support. We believe that this legislation would represent an important investment in nonprofits for the people of our state, and we will continue to make its passage a priority.

- **Reform and modernize the outdated laws related to raffles and games of chance.**

New Jersey's games of chance statutes date back largely to the 1950's, and the system for raffle license application, reporting and use of funds is confusing, inefficient, unevenly enforced, and unfair to charities. Legalized games of chance represent an important revenue source for many organizations, heightened by the ongoing financial impact of the pandemic. Some progress was achieved in 2021 with voter approval of a constitutional amendment to allow unfettered use of games of chance proceeds for all nonprofits. Among further reforms under consideration include:

- Reintroducing legislation to allow charities to sell raffle tickets to New Jerseyans online. Legislation that would allow online sales and broadly permit remote games of chance was passed in 2021 but was vetoed by the Governor.
- Removing redundancies in application and background checking requirements.
- Allowing for electronic applications.
- Raising the threshold for dollar values for door prizes and the like before a license is required.

- **Modernize the New Jersey Nonprofit Corporation Act.** The last major update to the NJ Nonprofit Corporation Act took place in 1983. The Act is now significantly out of date and does not recognize advancements in technology or evolutions in thinking regarding governance and management. We will work to restart the small legal working group that was convened to undertake a thorough review of the Act and recommend statutory changes. As this work progresses, additional constituencies will be invited to participate and provide input. In order to expedite the work on this comprehensive initiative, the Center will also explore the feasibility of supporting another entity (e.g., the NJ Law Revision Commission or other body) in completing this project.

Serve as a Watchdog and Advocate on Key Nonprofit Sector Issues

The Center is committed to its role as a watchdog and lead advocate on a variety of sector-wide nonprofit issues. Not all of these are currently active, but those that are not may re-emerge at any times. Sample issues include:

Ensure that nonprofits are included in government programs designed to offer relief from economic hardship, natural disasters, or similar crises – Especially, although certainly not exclusively, in times of crisis, nonprofits are perfectly

positioned to work with state, county, and local officials to maximize public benefits via their deep knowledge of community needs, significant reach and existing relationships. Despite nonprofits' essential role in addressing crises such as the COVID-19 pandemic and similar catastrophes and their associated human and economic impact, nonprofits are too often "afterthoughts" in the minds of policymakers when relief programs are being developed. When programs are created to ease the burdens on, for example, for-profit employers, it is vital that they are crafted in a way that ensures that nonprofits are eligible to participate.

Further, programs that prioritize nonprofits in service to the residents of our state and nation, are equally vital. It is important to work with national and state partners to promote an agenda and funding priorities that recognize nonprofits as the strong partners they are. Guiding principles and requests include prioritizing equity in relief and recovery programs; providing assistance for nonprofit employers; broadening charitable giving incentives; emphasizing grants and forgivable loans over traditional loans; and emphasizing flexibility in eligibility, application and reporting procedures for grants in order to reduce barriers to participation.

We will continue to work to strengthen these natural partnerships and secure relief, recovery and greater impact for the public good, and to promote effective relief proposals that maximize overall impact while prioritizing equity in all programs.

Preserve the nonpartisanship of 501(c)(3) organizations – The ability of charities, foundations and faith organizations to operate in a climate free from partisan pressures and interference is critical for these organizations to fulfill their missions. Proposals to weaken or repeal the Johnson Amendment, the 1954 law that prohibits 501(c)(3) organizations from directly or indirectly participating in, or intervening in, any political campaign on behalf of or in opposition to any candidate for elective public office would cause significant damage to the integrity and independence of nonprofits and foundations to the detriment of the public causes we serve. We will work vigorously with our allies in New Jersey and nationally to protect the nonpartisanship of charities and foundations.

Protect nonprofit advocacy rights – The Center is committed to protecting nonprofit advocacy rights and removing legislative and regulatory obstacles to nonprofit advocacy. In previous legislative sessions there have been bills aimed at other types of nonprofits which would have needlessly stifled 501(c)(3)s. We recognize the damaging effects of "dark money" on electoral politics and civil society and support reform efforts to address those problems. However, these policies must be carefully

crafted so as not to quell free discourse and debate or chill nonpartisan advocacy and voter engagement work by charitable nonprofits. Relatedly, it is also important to ensure that the government prohibitions against using government grant or contract funds to lobby do not spill over and chill nonprofits' advocacy activities using their private funds. We will also be vigilant against any attempts to roll back some of the "pay to play" exemptions currently in place for 501(c)(3) organizations.

Charitable fund raising – The Center will continue to work to ensure that New Jersey's fund raising laws provide adequate protection for charities and the giving public without unduly hampering legitimate charities and fund raising. The Center has made a priority of advocating for improvements in the Division's mandatory online registration portal that make the system fair, reasonable, and easy for charities to use.

Charitable giving incentives – The Center is committed to supporting policies that will encourage and strengthen tax incentives to donate to charity. We will work with our allies to strengthen these incentives on the federal level, and as noted above, will promote such policies on the state level where possible.

Defend nonprofits against challenges to their corporate or property tax-exempt status, and provide education regarding the basis for such exemptions – As government budget crises continue, the pressure to find new sources of revenue have continued to intensify. In recent years, a growing number of municipalities have attempted to challenge nonprofit property tax exemptions or otherwise extract payments from nonprofits. While acknowledging the reality of government fiscal challenges, the Center is committed to protecting nonprofits against inappropriate attempts to levy taxes and fees that would siphon already-scarce resources away from their ability to serve the public good. An equally high priority is long-term public education of policy makers, the media and the public regarding how much nonprofits contribute economically and socially to their communities and regions, and the significant implications of revising longstanding tax exemption policy.

General guidelines

Per our board-approved guidelines, the Center will engage in advocacy activities only on issues that are consistent with its mission. In keeping with the Center's values and strategic plan, advocacy activities will be assessed through a lens of advancing

diversity, equity, inclusion, and antiracism within the Center itself, the nonprofit community, and society at large.

Issue identification and selection is informed through a variety of means, including but not limited to: data and trends gleaned through the Center's surveys of the nonprofit community; formal and informal communications with Center members and other nonprofits and constituencies; trends affecting nonprofits and constituencies as identified in and through networks such as the National Council of Nonprofits and the Council of New Jersey Grantmakers; broader news, trends, and issue developments with nonprofit or equity implications; and others.



New Jersey Center for Nonprofits

3635 Quakerbridge Road, Suite 35, Mercerville, NJ 08619

732-227-0800 | www.njnonprofits.org | center@njnonprofits.org