



Select New Jersey Nonprofit Public Policy Priorities

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New Jersey's nonprofits play a key role in strengthening the state's social, economic, and community fabric, and are strong partners with the government in providing solutions to critical issues. New Jersey's 40,000 charitable nonprofits employ nearly 10% of the state's private workforce – more than many major for-profit industries – and collectively spend \$50 billion annually, much of this in the Garden State. Crises such as the COVID-19 pandemic and its aftermath have underscored the vital importance of the nonprofit community, with nonprofits filling critical human needs and alleviating social and economic distress. But nonprofits have always been indispensable parts of communities and are essential partners in creating a thriving New Jersey for everyone.

While the need for nonprofits continues to grow, important challenges threaten their ability to serve our communities. Rising expenses and the demands for nonprofit programs and services continue to outpace the funds needed to provide those services. Labor shortages remain an obstacle. Tax law changes have impeded charitable giving. Keeping nonprofits strong is a clear imperative, especially given that the programs and services they provide save the state government millions of dollars each year.

Prioritizing the following policy recommendations will help ensure that nonprofits are best positioned to serve our communities now and over the long haul.

Simplify and streamline the process for government grants and contracting with nonprofits.

Government relies heavily on nonprofit partners to deliver a host of critical programs and services. But despite many years of advocacy by nonprofit leaders across fields and disciplines, the contracting system is in dire need of reform that would benefit the state, nonprofits, and the people and communities nonprofits serve. The Center believes all government grant programs should:

- Provide sufficient resources to cover nonprofits' full cost associated with providing the services, including reasonable indirect costs and automatic adjustments to address needs in both the mid- and long-term.
- Allow organizations to retain flexibility and autonomy in their internal operations.
- Avoid needless administrative burdens or excessive duplication in application, monitoring, reporting, or other requirements, which is costly for nonprofits and the state alike and impedes access by groups headed by, or primarily serving, historically marginalized or excluded people.
- Focus oversight primarily on outcomes, quality of service, and community impact.

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New Jersey Center for Nonprofits is a New Jersey nonprofit corporation and a federally recognized 501(c)(3) public charity.

Promote charitable giving by instituting a state-level charitable giving tax incentive.

Establishing a state-level charitable giving income tax deduction would provide critically needed financial support to nonprofits in service to our communities. Legislation that would allow contributions to qualified New Jersey-based charitable organizations to be deducted from gross income regardless of whether the federal itemized deduction is taken by the taxpayer is pending reintroduction in the State Legislature. This legislation would provide tax relief to all charitable givers and make it easier for generous low- and moderate-income New Jerseyans to donate while helping to ensure that charitable organizations can more effectively meet community needs.

Promote and protect nonpartisan voter engagement and voting rights, and preserve advocacy rights of charitable nonprofits.

Charitable nonprofits have a unique and vital role to play in promoting nonpartisan civic engagement and voter participation. Safeguarding voting rights and access is essential to a strong democracy. Similarly, the input of charitable nonprofits is important to informing and promoting sound public policy at all levels of government. The Center is committed to protecting nonprofit advocacy rights and removing legislative and regulatory obstacles to nonprofit advocacy. We support reform efforts to address the damaging effects of “dark money” on electoral politics and civil society and 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 (501(c)(3)) 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.

Allow online sale of charity raffle tickets. Inexplicably, in New Jersey it is legal for adult residents to gamble at online casinos and bet online on their favorite sports teams, but it is illegal to buy a raffle ticket online to support a New Jersey charity. The Center supports legislation to permit online ticket sales, a change which has long been sought by nonprofits and which would generate much-needed revenues to support charitable works.

Promote a fair and effective fundraising law framework. The Center will continue to work to ensure that New Jersey’s fundraising laws provide adequate protection for charities and the giving public without unduly hampering legitimate charities and fundraising. 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.

The [New Jersey Center for Nonprofits](http://njnonprofits.org) is the statewide network, champion and go-to resource for and about New Jersey’s nonprofit community. Founded in 1982, the Center exists to build the power of New Jersey’s nonprofit community to improve the quality of life for all people of our state. The Center provides professional education, advocacy, resources, training and information to strengthen nonprofits and help them thrive in pursuit of their charitable work. The Center is a New Jersey nonprofit organization and a 501(c)(3) publicly supported charity. For more information, visit njnonprofits.org.

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