



## California Association of Nonprofits

*Protecting, Strengthening & Promoting Nonprofits*

### **Federal Economic Stimulus Legislation**

*And Other Budget Updates and Resources*

#### Overview

In the last issue of *The Alert*, we reported on President Obama's American Recovery and Reinvestment Act of 2009 (aka: the Economic Stimulus Package or the Act) and shared some information and resources on how nonprofits can access these funds in this very rapidly changing world to serve their local communities. In this issue, we will suggest steps you can take to apply for these funds. In addition, we will bring you up-to-date on recent developments with President's Obama's budget and how they may affect nonprofits, including the Serve America Act which expands and strengthens nonprofit volunteerism.

#### California Recovery

California will receive more than \$80 billion in Recovery Act funds to enable people to remain in their homes, support the costs of caring for adopted and foster youth, for food stamp benefits and elderly nutrition services, to assist employment for persons with disabilities, and much much more. Money is also earmarked for energy and education. Governor Arnold Schwarzenegger has made improving and expanding health care to all Californians a priority and remains committed to ensuring that all Californians have access to quality, affordable health care.

In addition, organizations with experience in providing capacity-building support to nonprofits working in distressed areas should check out the new grant program <<http://www.acf.hhs.gov/grants/open/HHS-2009-ACF-OCS-SI-0091.html>> announced in early May by the Department of Health and Human Services. Through the Strengthening Communities Fund, HHS will make awards of up to \$1 million to lead organizations to provide technical assistance and training. Grantees must provide at least 20 percent of the total approved cost of the project from non-federal.

The following reflects estimated Stimulus funds available by category, in billions.

- ✓ Health & Human Services \$15.4
- ✓ Education \$11.8
- ✓ Labor \$8.5
- ✓ Transportation \$4.0
- ✓ Science & Technology \$1.9
- ✓ Energy \$1.3
- ✓ Housing \$0.9
- ✓ Water & Environment \$0.7
- ✓ Public Safety \$0.4

#### Steps for Accessing Funds

**Familiarize** yourself with what funding is available for what purpose(s) by accessing the website <http://recovery.ca.gov/>. This is a goldmine of information and resources. Under Opportunities on that site, visit *Recovery Act – Grants* for a list of grant opportunities, due dates, and funding agency.

**Search** the above site using keywords to investigate by a variety of categories of funding activities, from a list of agencies offering grant opportunities, or by other categories.

**Apply** for grant by downloading the application itself, completing it, submitting it, and even tracking it on the website.

### Obama Budget Updates

The administration has released more information on the President's tax proposals:

- ✓ **Charitable Deductions:** The administration is sticking to the President's proposal to limit to 28 percent the value of charitable and other itemized deductions taken by higher-income taxpayers, but has had to make adjustments due to a re-calculation that came up \$51 billion short of its original estimate. To make up the shortfall, the President's budget includes a dozen "reforms to close tax loopholes."
- ✓ **Estate and Gift Tax Valuations:** The President's budget raises \$24 billion over ten years by requiring consistent valuation for transfer and income tax purposes, modifies the rules for valuation discounts, and requires a minimum term of ten years for grantor-retaining annuity trusts.
- ✓ **Charitable Giving Incentives:** The budget calls for extending for two years a package of expiring tax provisions. Although the charitable giving incentives are not explicitly mentioned, it is presumed that the extension includes the IRA rollover <<http://independentsector.org/programs/gr/IRARollover.html>> and other charitable incentives. Visit <<http://independentsector.org/programs/gr/budget.htm>> for more information.

### Serve America Act

President Obama signed into law on April 21, 2009, the *Serve America Act (PL 111-013)*. This landmark legislation will improve and expand national and community service programs and strengthen the infrastructure for volunteerism within the nonprofit community. Key elements of the law include:

- More than tripling the number of Americans in national service programs.
- A Volunteer Generation Fund of \$50 million in 2010, growing to \$100-million in 2014. Money would go to nonprofit groups or state national-service commissions for programs to help charities recruit and manage volunteers.
- Expansion of the mission of the Corporation for National and Community Service through new service programs that would provide incentives for students and senior citizens to participate in volunteer community service.
- Creation of a "silver scholars" volunteer program for seniors and a summer of service program for middle and high school students who would receive a \$500 education award to be used toward college.
- Creation of a clean energy corps, education corps, and health futures corps.
- An increase in the education reward for national volunteers from \$4,725 to \$5,350, tying the reward to the maximum Pell grant in the future, and letting those older than 55 transfer the education reward to a child, foster child or grandchild.
- A Social Innovation Funds Pilot Program, which would provide "venture capital" to help nonprofit groups that have developed successful ways to tackle social problems expand their work. It would make \$50-million available in 2010, growing to \$100-million in 2014, with matching funds required from other sources.

And last but not least, it includes a Nonprofit Capacity Building Program. Learn more about that program and read Senator Baucus' floor speech in the Congressional Record or Senator Grassley's summary.

Following are links to resources to help nonprofits to stay current with implementation of Serve America:

- ✓ California Volunteers, the state office that manages programs and initiatives aimed at increasing the number of Californians engaged in service and volunteering  
<http://www.californiavolunteers.org/index.php>
- ✓ Corporation for National and Community Service, the federal agency whose mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering.  
<http://www.nationalservice.gov/>
- ✓ Service Nation, a coalition of state and national organizations and associations committed to expanding service opportunities in their communities  
<http://www.bethechangeinc.org/servicenation>
- ✓ Volunteer Centers of California, the statewide association of volunteer centers.  
<http://www.volunteercentersca.org/>

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