

Forefront **PUBLIC POLICY + ADVOCACY**

Forefront is an Illinois statewide association serving operating nonprofit organizations, grantmakers, advisors, and allies. Our mission is to build a united and thriving social impact sector that has a transformative impact on the wellbeing and economic security of communities, and promotes equity across the state of Illinois. We provide education, advocacy, thought leadership, and facilitate collective action across issues that are important to our members and the sector.

ILLINOIS + SOCIAL IMPACT SECTOR



11.4 %

The percentage of private employment in Illinois covered by nonprofits.



\$133 billion

The amount of revenue generated by nonprofits in Illinois.



6,281

Number of foundations + grantmakers in Illinois.



50,780

Number of nonprofits in Illinois.

Giving USA: The Annual Report on Philanthropy for the Year 2021 (2022). Chicago: Giving USA Foundation.

U.S. Bureau of Labor Statistics. (2018, August 31). Nonprofits account for 12.3 million jobs, 10.2 percent of private sector employment, in 2016. U.S. Bureau of Labor Statistics. Retrieved February 2, 2023, from <https://www.bls.gov/opub/ted/2018/nonprofits-account-for-12-3-million-jobs-10-2-percent-of-private-sector-employment-in-2016.htm>

Candid Disclaimer: The data has been retrieved from Candid and is subject to revision. For more information on giving to and by foundations, see <https://candid.org/use-our-data/about-our-data>

OUR ADVOCACY

In support of our almost 1,000 statewide members, Forefront's Policy and Government Affairs team works year-round at the federal, state, and local levels to advocate for policies that will support and advance the work of nonprofits, foundations, and other social impact organizations. Our policy agenda, guided by our expert and diverse statewide policy committee, provide a framework for how we determine if various legislation, regulations, and other government requirements are favorable to the Illinois social impact sector.

OUR POSITIONS

- We are deeply committed to advancing racial justice + equity.
- We defend democratic participation and civic engagement.
- We promote innovative public private partnerships.
- We defend and support our sector's workforce.
- We work to improve economic security for sector employers and Illinois residents.
- We support equitable tax policy for charitable organizations, communities, families and individuals.
- We build trust among our sector, government officials and the general public.

NATIONAL NETWORK



National Council of Nonprofits



Council on Foundations



2023 FEDERAL POLICY AGENDA PRIORITY LEGISLATION

UNIVERSAL CHARITABLE TAX INCENTIVES

After the successful Universal Charitable Deductions in 2020 and 2021, the need is clear for continuation of universal incentives to promote charitable giving. Those in need receive \$2.50 in benefit for each \$1 in tax benefit from the charitable deduction, but only 12% of taxpayers have access to the current deduction. This is fundamentally unfair, and making the charitable deduction universal caused clear increases in giving at the exact amount the deduction was set at. This would be an important step to shore up resources for nonprofits doing essential work in communities around the country.

NONPROFIT SECTOR STRENGTH AND PARTNERSHIP ACT

The social impact sector employs 11% of the Illinois workforce and 10% of the workforce nationally, and partners with governments at all levels to provide essential services and promote the public good. Yes, there is no one in the federal government charged with ensuring the challenges and concerns of our sector are heard or addressed. The Nonprofit Sector Strength and Partnership Act (H.R. 7587 in the 117th Congress), would establish a new White House Office on Nonprofit Sector Partnership, among other provisions, to achieve this goal.

POST-GRADUATION SCHOLARSHIPS

Post-graduation scholarship grant programs can stimulate regional economic growth, strengthen a community's workforce, and help address the growing student debt crisis. Federal law should treat post-graduation scholarships like traditional scholarships, a charitable activity. These programs are growing in popularity in the philanthropic world, and the bill to remove the tax burden is targeted to communities most in need of more skilled workers. (HR 4095/S. 2191 in the 117th Congress)

PHILANTHROPIC AND NONPROFIT REGULATIONS

Discussions are continuing at the federal level on a range of regulations that would impact the philanthropic and nonprofit sectors. From regulating DAFs to additional labor regulations, there are key discussions that would impact our stakeholders, and on which our sector has a diverse set of viewpoints. While we do not have all the answers on these important public policy questions, it is important that key stakeholders are invited to the table, to ensure that any solution is constructive and is informed by experience in the sector.

DEMOCRACY AND VOTER RIGHTS

The social impact sector supports a strong and vibrant democracy in America. A democracy that encourages participation in the democratic process, protects citizens' right to be counted, right to vote, and provides fair representation, without restriction and interference. As Congress continues to work to strengthen our democracy, nonprofits will be there to support these efforts.

2023 STATE POLICY AGENDA PRIORITY LEGISLATION

ILLINOIS GIVES ACT HB1241 / SB172

The Illinois Gives Act incentivizes charitable giving by Illinois taxpayers, at all income levels, by authorizing a state income tax credit for 25% of gifts to the more than 40 qualified community foundations' permanent endowments (donor advised funds are excluded). The Illinois Gives Act will help make our Illinois tax system more equitable by ensuring middle class families can benefit from their charitable giving, while also providing stable funding for Community foundations are governed at the community level by boards of directors and remain transparent and accountable to the communities they serve, creating more action and impact to the unique needs of their own community. Capped at \$50 million statewide/\$100,000 per taxpayer (no minimum), the Illinois Gives Act will leverage \$2 billion in charitable giving in next decade that might not occur otherwise. Nonprofit and program endowments stabilize sectors in economic downturns and emergencies, fund general operations, programs (including those advancing racial equity), and capital projects, and ensure longevity.

AUDIT THRESHOLD HB1197 / SB72

The Audit Threshold bill will relieve the disproportionate administrative and cost burdens on the smallest nonprofit organizations in Illinois by raising the audit threshold from \$300,00 to \$500,000 in charitable contributions. Currently, Illinois has the most burdensome nonprofit audit requirement in the entire United States. Audit fees are regressive, and can cost up to \$10,000, regardless of the size of an organization's budget. The proposed new threshold would still require "financial review" for nonprofit organizations that raise between \$300,000 - \$500,000, helping to continue transparency and accountability while making the requirement less costly and burdensome for small nonprofits, which are more likely to be led by and/or service the BIPOC community.

LOBBY REGISTRATION ACT SB1349

Amends Lobbyist Registration Act to support nonprofit civic engagement and compliance by waiving registration fees for any qualifying 501(c)(3) nonprofit organizations with revenues under \$5M.

**LEARN
MORE****HOLLY AMBUEHL**DIRECTOR OF PUBLIC POLICY + GOV'T AFFAIRS
HAMBUEHL@MYFOREFRONT.ORG
312.327.8939