

## CALLS ON STATE TO RAISE EXPENDITURE THRESHOLD FOR 501(C)(3)S

The \$5,000 threshold has remained unchanged since 2006

New York State, May 9, 2022 -

Nonprofit New York, in partnership with Assemblymember González-Rojas, Senator Biaggi, and A Place at the Table campaign partners released a policy brief<sup>1</sup> on New York State's Lobbying Act. Times Union published an exclusive article on the brief this morning: For nonprofits, a voice in lobbying is often out of reach due to rules. The study found the state's \$5,000 lobbying "expenditure threshold" that requires entities to register as lobbyists with the state has not been adjusted since 2006. If the threshold were raised to \$10,000, 99% of all lobbying activity would still be reported to state regulators. Raising the threshold would enable many small, grassroots organizations to engage in the legislative process without the need to expend resources on complying with New York's complex and time-consuming reporting requirements.

"Nonprofits are often closest to communities, and uniquely understand community needs. But all too often small organizations do not engage in advocacy, because they don't have the resources to risk being out of compliance," said Chai Jindasurat, Vice President of Policy at Nonprofit New York. "Their fear keeps diverse community voices out of the legislative process. We know 99% of all lobbying activity would still be reported with a \$10,000 threshold. Raising the expenditure threshold is a commonsense policy that would create greater access to government for under-resourced nonprofits while still maintaining transparency."

"Nonprofits are not only essential partners in ensuring millions of New Yorkers are housed, fed, and cared for on a daily basis, but they are also important voices for the communities in which they operate," said Michelle Jackson, Executive Director of the Human Services Council. "Those crucial voices are silenced when onerous reporting prevents nonprofits from speaking up because of remarkably low reporting thresholds that mean even the smallest amount of lobbying triggers mandated reporting. A Place At The Table will raise that threshold to ensure that all those in the community can speak up about the issues impacting them and their neighbors while also making sure the public knows how 99% of lobbying expenses are used to influence government."

"So many arts and culture nonprofits live in fear of endangering their nonprofit status by crossing the line into 'lobbying' that they stay away from doing so much as asking for support for arts and culture in state and city budgets," said Lucy Sexton, Executive Director of New Yorkers for Culture & Arts. "These organizations and the cultural programming they provide are a vital part of our civic life and economy. We need to be at the table in dialogue with those we elect. Lifting the lobbying threshold would lift that fear and enable more robust discussions between elected officials and the organizations serving their communities."

"Advocacy should not be a privilege that only large nonprofits can afford," said Katie Malatino, Vice President of Marketing, Communications & Engagement at the New York Council of Nonprofits. "Nonprofits of all sizes need a voice in government so the sector as a whole can continue to meet the needs of our communities."

"When Lawyers Alliance for New York educates our small, nonprofit clients about their obligation to register as a lobbyist, many tell us that they simply don't have administrative staff who have time to do that," said Elizabeth M. Guggenheimer, Executive Director, Lawyers Alliance for New York. "Instead, they choose to avoid talking to their elected officials. This bill will allow community-based organizations to educate officials about what is happening in their communities, while still requiring the large lobbyists that spend 99% of lobbying dollars in Albany to register and report."

"Community based organization are barred from participating in or leading legislative actions that would allow us to regularly and consistently lobby for the things the most underserved and vulnerable communities are asking for fear of fines and other absorbent fees that would bankrupt our organizations," said Joyce McMillan, Executive Director of JMAC for Families.

"Having a voice should not be based on income, that's not democracy, that's capitalism. The same ones who are financially blocked from having a voice through the tough lobbying laws are the ones that are most impacted by a lack of resources. GIVE US A VOICE!"

Tara Klein, Senior Policy Analyst at United Neighborhood Houses, said: "United Neighborhood Houses is proud to stand to give all nonprofits a place at the table by raising the nonprofit lobby reporting threshold. Settlement houses and other nonprofits serve and strengthen their neighborhoods whether they are large or small, and we know that many choose not to lobby because of a fear of violating state lobby rules. We need more community voices in the policymaking process, because only then can elected officials truly reflect the communities they were elected to serve. This commonsense bill will encourage more small nonprofits to make their voices heard. Thank you to Nonprofit New York and bill sponsors Assemblymember Gonzalez-Rojas and Senator Biaggi for leading this effort."

"As a large multi-service human services organization, Children's Aid is uniquely positioned with its own internal policy office

to weigh in on what policies best support the needs of the children and families we serve at all levels of government. However, this is an exception not the rule – we are part of the three percent of nonprofits that actively partake in legislative advocacy," said Yolanda McBride, director of public policy. "The smaller community based organizations we partner with that also serve the most vulnerable New Yorkers do not have the same infrastructure to navigate lobbying compliance, so sometimes they are left out of the public policy conversations. We have an opportunity to make sure the voices of all New Yorkers are heard in the legislative process."

Bill Sponsors, Nonprofit Advocates, and Legislators will hold a press conference for the A Place at the Table campaign on Tuesday, May 10th at 11:00 a.m. on the 4th Floor of the State Capitol by the Senate Chamber to call on the legislature to pass A6943/S6398.

Â¹ Available at: <https://www.nonprofitnewyork.org/2022/05/a-place-at-the-table-policy-brief-nys-lobbying-law>