Message from CEO Jan Masaoka

Healthcare Reform for Nonprofit Employers

We're hearing three worries from nonprofits about healthcare reform: first, worry about clients and how they will be affected. Second, about funding; while most or many nonprofit health providers are well prepared for the Affordable Care Act (ACA), many human service organizations – such as those in substance abuse, mental health, and so forth – are worried about funding. Third, nonprofits are concerned about providing health insurance to their own staff and their staff’s dependents.

This last area – health insurance for nonprofit staff – is at the center of what CalNonprofits is doing in our Healthcare Reform Initiative. Before going into the components of the initiative, a few key approaches:

• Despite all the talk about how complicated healthcare reform is, **it is not that complicated for nonprofit employers.** If you are already providing health insurance for your staff, you will probably want to stay with your current program. Your broker – whether CalNonprofits or any other broker – will help you understand the choices just as they have in previous years. If you have wanted to provide health insurance but have been unable to afford it, there may be a couple of new opportunities for you; talk to your broker or to us. And don’t forget: the policy and mechanics of social security are very complicated, but it’s not that complicated to get your checks.

• **Two myths about healthcare reform should be squashed.** One is that “Obamacare” will bankrupt the country and create massive havoc. The other is that under the ACA, everyone will be able to get better health insurance for practically free. Neither is even close to accurate. The truth: healthcare reform is primarily about getting insurance for people who are currently un-insured, not for improving the insurance of those who already have it. And healthcare is going to cost more . . . which would have been true whether or not the ACA had passed in Congress.

For nonprofits, healthcare reform is a huge, desperately needed win for poor communities, for low-wage workers who typically do not get employer-provided health insurance, and for everyone with a pre-existing condition. We must all do everything we can to ensure that Covered California, the California Health Exchange, succeeds. — continued on page 2
Our initiative has three areas of work:

**Direct services for CalNonprofits members:**

- Through our subsidiary, CalNonprofits Insurance Services, we will be hiring and training licensed assistor/navigators to help CalNonprofits members by being available to enroll people directly into Covered California (the California Health Exchange).

**Education for all nonprofits:**

- We will be helping all nonprofits understand the wide range of choices available to them in providing assistance to their staff and dependents through a collaborative of 15 nonprofits across the state. Look for ongoing updates in this newsletter and our e-News. A special website is coming soon.

**Advocacy for all nonprofits:**

- Working with our nonprofit policy partners, we will continue to support expansion of MediCal for low-income families and availability of subsidies for dependents enrolled in Covered California. Our board members Ellen Wu (California Pan-Ethnic Health Network) and Pete Manzo (United Ways of California) are working with our Policy Director Kris Lev-Twombly to maximize our advocacy impact.

I look forward to hearing from you.

Jan Masaoka  
janm@calnonprofits.org  •  415.926.0034 direct line

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**Resources We Like**

**This Issue: Tech and Advocacy**

**Technology**

- TechSoup.org
- NTEN (Nonprofit Technology Network)
- Google Grants - apply for Adwords for Nonprofits grant

**Taxes & Compliance**

- Attorney General’s Charities site [oag.ca.gov/charities](http://oag.ca.gov/charities)
- IRS Charities Resource [Stayexempt.irs.org](http://stayexempt.irs.org)

**Advocacy Guides**

- Alliance for Justice: Influencing Public Policy in the Digital Age
- Bolder Advocacy [bolderadvocacy.org](http://bolderadvocacy.org)
- Independent Sector [independentsector.org/advocacy](http://independentsector.org/advocacy)
We value California’s nonprofit and philanthropic sectors’ roles as drivers of shared prosperity, and our advocacy reflects this by prioritizing good governance and fairness within our sectors and in the public and private sectors. We do not prioritize the specific interests of the nonprofit community over the interests of the broader public good.

We do our policy work directly, by supporting our policy partners, and by building the capacity of nonprofits to advocate.

**Priority Issue Areas**

There is a narrow but crucial band of issues that spans the nonprofit subsectors. This band includes issues related to regulation of nonprofits, tax matters, and differentiating between nonprofits and for-profits. In addition, there are some issues that involve values and standards associated with the nonprofit community, such as safety nets, fairness in employment, civil rights, and voting accessibility.

1. **The economy, taxes, and the budget**

   - The nonprofit community employs approximately 10% of California workers, and produces more than 5% of the gross state product. As such, nonprofits should be involved in all matters related to economic growth and the state budget.

   - We support policies that incentivize charitable giving and provide tax benefits fairly to people of different income levels.

   - We oppose mandatory fees such as Payments in Lieu of Taxes (PILOTS) and other taxes on nonprofit organizations.

   - We support policies that incentivize charitable giving and provide equitable tax benefits for people of all income levels. We support the ability of nonprofits to engage in policy advocacy to the fullest extent allowed by law, and the ability of foundations to support this advocacy.

2. **Government/nonprofit partnerships**

   - We believe nonprofits should not be disadvantaged in bidding processes. Government contracts with nonprofits must pay for fair shares of indirect expenses. Nonprofits must be paid in a timely fashion on contracts.

   - We work with government to streamline reporting and filing. We are watchful of legislative and regulatory actions that overburden nonprofits with liability, insurance requirements, and fines without justification.

   - We support policies that encourage all corporations to be good employers, including nonprofits. We oppose policies which place disproportionate burdens upon nonprofits as employers. We support policies which allow employees and constituents of nonprofits to receive healthcare benefits for themselves and their dependents.

3. **Voter, volunteer, and civic engagement**

   - We support policies that lead to easy, safe, and rewarding opportunities for Californians of all walks of life to volunteer with nonprofits. We support tax incentives for individuals and businesses to donate goods and services.

   — continued on page 4
We support screening measures such as background checks to protect nonprofit constituents, staff, and volunteers, within parameters that do not unnecessarily exclude people or create unrealistic expense.

• We work to ensure that Californians have full access to voting, are informed of their voting rights, and receive objective and complete information about candidates and measures. In particular, we support policies that address demographic disparities in voter turnout through voter education and expanded access to voting. We oppose policies that work to limit voting accessibility.

4. Nonprofit independence and public accountability

• We support policies which mandate fair political practices and transparency in all sectors. We support the ability of nonprofit organizations to engage in comprehensive advocacy, to establish 501c4 entities, and Political Action Committees. We are watchful of policies which seek to correct unfair political practices by 501c6 associations and independent expenditure committees, which may have an undue impact upon compliant 501c3 and 501c4 organizations.

• We support the ability of nonprofit organizations of all sizes and any focus to be able to fundraise effectively and efficiently, within the parameters of the public good. We are watchful of policies and regulations that seek to limit fundraising activities, place undue fees on fundraising activities, or place nonprofit fundraisers at a disadvantage to for-profit entities.

How we engage in advocacy:

California Association of Nonprofits (CalNonprofits) chooses to actively advocate on issues that affect California’s nonprofit sector as a whole, or affect significant portions of the sector.

We may choose to advocate on issues that affect smaller sections of the sector, provided that the issues fall in our priority issue areas.

We do not advocate on issues related to the agendas of the various subsectors. However, we do facilitate forums in which nonprofit organizations can engage each other in collaboration and discussion on these issues.

Similar to other nonprofit advocacy organizations, our level of involvement in advocacy varies based on the gravity of the issue, our capacity to be impactful on the process, our ability to generate secondary benefits from our involvement, and other considerations.

Distinct from other nonprofit advocacy organizations, CalNonprofits also holds an important role in informing California’s nonprofit community of public policy issues that may affect them, independent of our decision to take positions or actively advocate. We inform the sector and encourage their involvement in advocacy, even eliciting positions that may be counter to our own. In this regard, we inform California’s nonprofit community of issues for their review and consideration, and we may host and facilitate debate and dialogue.
Tips for Getting the Most Out of Your Membership

It’s been a tough couple of years since the bankers crashed the American economy, but you’re still here fighting the good fight. And you want to support CalNonprofits because we’re fighting on behalf of the sector as a whole – providing a much-needed earful that legislators and foundations need when making decisions about our communities. But I know that every penny counts, even now that the pundits are saying the economy is getting healthier, and I want to make sure you squeeze every last drop of value from your annual membership fee. So – here are a few tips:

1. **Accessing your benefits is easy!** Just give me a call or send me an email: (415) 926-0668 or Christinad@calnonprofits.org.

2. **Your most valuable (and complicated) resources are humans.** Which is why we offer discounted subscriptions to HR California – a one-stop shop for all employment law-related questions. They offer a library of articles, hundreds of checklists and forms, questions and answers on a wide range of topics, and fast compliance wizards – including an online anti-harassment training.

3. Background checks can be a costly layer of the Risk Management Cake – the ingredients are expensive and so is the time it takes to whip them together. **Check out our partnership with Intellicorp – background checks for only $9.95!**

4. **Do you use pens? Paper? Ink cartridges or toner?** Use the Office Depot discount program – you can save 60%! It’s quick to sign up (just send me an email with your name, title, and shipping address) and it can save you thousands of pennies (and nickels and dimes and quarters).

5. Is your part-time bookkeeper struggling to wear CFO-style shoes? Help her get the training she needs to whip those balance sheets into shape with webcasts and self-study courses from CalCPA – 20% off for CalNonprofits Members.

6. **Insurance!** It can be confusing and costly and we know you don’t have time to sort out the best options for the best prices. So we offer you exclusive access to CalNonprofits Insurance Services (CIS). Helpful staff will discuss your business and the best ways to get the coverages you need: property, liability, D & O, health insurance for employees, dental, vision - we’ve got it all. Check out www.calnonprofitsinsurance.org for details.

7. **Do you want copies? Lots and lots of copies?** FedEx Office discount program has got you covered. Send your donors an Annual Report that looks as impressive as the outcomes and programs it describes. Make 500 copies of the registration form for your next event without tying up your copier machine for two days.

Those are only a few of the member benefit programs we offer – you can see the full list online at: www.calnonprofits.org/exclusive-discounts-menu
New Weapons in the War on Overhead Ratios as a Measure of Success

Recently, BBB Wise Giving, Charity Navigator, and GuideStar.org launched a project that aims to dispel the myth that the percent of revenue a nonprofit spends on “overhead” is not a measure of excellence or predictor of success. They’ve started a new website called The Overhead Myth (www.overheadmyth.com), launched with an open letter to donors calling out the specific reasons why overhead is not a good way to figure out which charities should get their donations.

In spite of the rhetoric around this launch, this idea is not new. Nonprofit Executive Directors have always known that overhead data is slippery – hard to get and hard to report. What, exactly, should be included in the “overhead” bucket? Some organizations include any money not spent directly on clients while others consider the rent paid for their offices a program expense. Which is right? Without a uniform definition for “overhead” every organization is left to make up their own – making the metric useless for comparison purposes.

While research over the years has consistently shown that the overhead ratio is not a good metric — the Stanford Social Innovation Review’s “Nonprofit Starvation Cycle” article was published almost 5 years ago and Getting What We Pay For: Low Overhead Limits Nonprofit Effectiveness was published in 2004 - the public continues to hold on to it as a great way to evaluate an organization. So having these three heavy hitters shift their stance from citing overhead ratios as a primary factor for evaluating charities to acknowledging that overhead ratios are, in fact, a terrible criteria for deciding where donations should go, is a big deal.

We at CalNonprofits applaud this effort to raise awareness about the “myth of overhead” and we’re particularly pleased with the “Research and Resources” page of the new website that describes the various studies backing up their new position. With the disproportionate influence wielded by the three organizations involved in this endeavor, we hope to see a shift in public perception and a new focus on community impact. In the meantime, though, their open letter and other information on the site can be a tool for you to use when asked by donors, foundations, or the media: “what proportion of your revenue is spent on overhead versus programs?”

Where is CalNonprofits?

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CalNonprofits Insurance Services (CIS)
Southern California office:
3435 Wilshire Blvd., Suite 1930
Los Angeles, CA 90010
Phone: (800) 776-4226

Everywhere via the web: www.calnonprofits.org
State Funded Discounts for Advanced Communication Services

The California Teleconnect Fund is a program of the California Public Utilities Commission that provides a 50% discount on advanced communication services to qualified non-profits.

The purpose of the program is to facilitate access to more advanced communications through a discounted rate.

For more information on the program, to request an in person presentation or for application assistance:

Visit the CTF Program website: www.CTFProgram.org

Contact the CTF Help Desk at (866) 742-8587

Email: CTFHelpDesk@rhainc.com

Dishauna Walker

Dishauna Walker (also known as Shauna) is our new Membership and Program Assistant! She will be your main point of contact when you want to sign up for member benefits, have questions about a program, or want to renew your membership. Shauna has returned to our great state after 10 years in Boston (earning a BA in English and a Masters in Global Social Work), 5 months supporting an NGO in Cambodia, and 3 weeks studying immigration policy in Europe. You can reach Shauna at (888) 427-5224 ext. 2001 or dishaunaw@calnonprofits.org.

Keep in Touch!

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Find us on Facebook (www.facebook.com/calnonprofits)

We look forward to hearing from you!

General Counsel for Good

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Helping Nonprofits Carry Out Their Missions

(415) 294-0185
Help Shape our Nonprofit Staff Health Care Project!

Nonprofits will soon have more choices about how to provide health insurance for their staff under the Affordable Care Act. At CalNonprofits we are developing a set of new services for nonprofit employee health coverage and we need YOUR help!

Please take 10 minutes to complete the survey—just scan the code with your phone or click the link on our homepage: www.calnonprofits.org. We'll use your answers to make our program as useful and accessible to you as possible. Thank you!

You can be part of that voice.

By joining CalNonprofits, you're part of a leadership network of nonprofits advocating for nonprofits and our communities in Sacramento, to philanthropy, and to the public at large.

join now at www.calnonprofits.org/membership