What gets lost in the blizzard of nonprofit focus on metrics, overhead, efficiency, “going to scale,” and social enterprise?

Unexpectedly, the answer has been right in front of us recently: both the civil rights movement of the 1960s and the health care reform movement of recent decades are object lessons of nonprofit impact. Far beyond serving as factories of outputs and outcomes, nonprofits are the vehicles that social change leaders choose as their platforms for societal transformation.

With Covered California enrollment starting on October 1 of this year, be sure to:

1. Distribute the required “Notice of Exchange” to your employees by October 1, 2013, and to new hires as they come on board:

A template you can complete and then distribute to staff is downloadable from the federal Department of Labor at http://www.dol.gov/whd/pdf/flsa2009withplans.pdf. Unfortunately, this form is complicated and not specific to California. On the CalNonprofits website we have instructions for completing the form and a California-specific form you can substitute for the federal one. Find the forms at www.calnonprofits.org; contact Edan Enriquez at edane@calnonprofits.org if you’d like to have them emailed to you.

2. Look at what new options may be available for providing your staff with health insurance. We know from the recent CalNonprofits study that nonprofits are more than twice as likely to provide health insurance to their employees as for-profits of the same size. So consider:

- If you have fewer than 50 staff, and you already provide health insurance, ask your broker if there is a Covered California-offered plan you should be considering.

- If you have fewer than 50 staff and you do not already provide health insurance, remember that you are not required to do so. However, if you want to offer a plan, there are more choices for your nonprofit under health reform. Contact Edan Enriquez on the CalNonprofits staff for more information: edane@calnonprofits.org or 415-816-3045. — continued on page 2
Get Help With Health Care Reform

CalNonprofits coordinates a statewide collaboration to help nonprofit employers with health insurance for their staff:

- California Association of Nonprofits, statewide
- Academy for Grassroots Organizations, San Bernardino County
- Arts for LA, Los Angeles
- Asian Pacific Policy & Planning Council (A3PCON), Los Angeles County
- Central Valley Coalition for Human Service Agencies
- Nonprofit Alliance of Monterey County
- Nonprofit Resource Center, Sacramento
- Northern California Association of Nonprofits, Redwood Trinity and Wild Rivers regions
- San Francisco Human Services Network
- Silicon Valley Council of Nonprofits (SVCN)
- Southern California Center for Nonprofit Management
- Theatre Bay Area, San Francisco
- Thrive -- The Alliance of Nonprofits for San Mateo County

All of these partners can help answer your questions!

Help your employees get health insurance for their dependents: If your nonprofit’s plan does not fully cover employee dependents, help them find coverage that may not have been affordable in the past. Urge them to contact Covered California or a nonprofit Certified Educator to help them. If you obtain your health insurance through CalNonprofits Insurance Services (CIS), we can now enroll dependents directly into Covered California. Call Gabriel Padia at (888) 427-5224, Ext. 1019 or email gabriel@cal-insurance.org.

Download a fact sheet (in 10 languages) from the California Pan-Ethnic Health Network at http://www.cpehn.org/newhealth-resources.php for your volunteers, clients, audience members, constituents and others. These explain how Covered California, MediCal, Medicare, and tax benefits work together. Give these fact sheets to people without employer-based healthcare, and encourage them to contact Covered California or one of the nonprofit Certified Educators in their area.

Stay alert to pending legislation on health insurance:

California HealthCare Foundation: Tracking ACA implementation in California http://www.chcf.org/tracking-aca

California Pan-Ethnic Health Network: Follow the implementation of the Affordable Care Act (ACA) and its impact on communities of color http://www.cpehn.org/newhealthcarelaw

California HealthCare Foundation: California Health Line, a daily digest of news, policy, and opinion http://www.californiahealthline.org

Kaiser Family Foundation: national health care reform information, including “The YoToones Get Ready for Obamacare” video http://kff.org/health-reform

Federal government’s official Health Care Reform website: https://www.healthcare.gov

Health care reform is a victory for which we can thank nonprofit advocates working over many decades. As we implement the first phases we should keep in mind that this is also a policy fight that is not finished. Just like Medicare advocates continue to work in Washington DC, we will need to be vigilant about future rules changes, eligibility standards, and funding for Covered California. For the moment, though, we should appreciate the process frustrations that this immense victory brings.

Five Things To Do NOW About California Health Reform, continued from page 1

- If you have fewer than 25 employees and the average salary is under $50,000 per year, you may be able to get government refunds for your health insurance payments. Contact Edan Enriquez for more information: edane@calnonprofits.org or 415-816-3045.

- If you have 50 or more employees, you probably already provide health insurance to full time staff, if not to part-timers and temporary staff. Starting 2014 you will be required to offer health insurance to all full time staff. If you obtain your health insurance through CalNonprofits Insurance Services (CIS), we will now be able to enroll part-time employees and temporary employees directly into Covered California through the CalNonprofits Nonprofit Advantage plan. Call Gabriel Padia at (888) 427-5224, Ext. 1019 or email gabriel@cal-insurance.org.
Civil rights organizations. They endured criticism from both friends and enemies. And they prevailed. They prevailed imperfectly, but they prevailed.

More recently in California and in Washington DC we've seen nonprofit health advocates prevail on behalf of low income families, people with pre-existing conditions, and everyone who needs health insurance: in other words, everybody.

People driven by social justice again chose nonprofits as the vehicles for action. Dozens of healthcare reform nonprofits — coming from communities of color, advocates for people with disabilities, single payer advocates, consumer rights coalitions and more — argued with each other, developed goals, made compromises, endured criticism from friends and enemies, and prevailed. Prevailed imperfectly, but prevailed. We Californians will now have the health insurance we need so we can get treated for heart disease, cared for in emergency rooms and in neo-natal incubators, seen for depression, obtain allergy and diabetes medications, and more.

This Thanksgiving, let's thank the advocates and leaders who have fought for these changes in our society, using nonprofit organizations as the best vehicles for success. And let's be grateful that the California nonprofit community is right where it needs to be: in the heart of how communities care for one another, and at the forefront of social change.

Jan Masaoka
janm@calnonprofits.org • 415.926.0034 direct line

Your Lobbyist at Work

What is CalNonprofits’ Policy Director and Lobbyist Kris Lev-Twombly doing in Sacramento on behalf of the nonprofit community? Here is his recap of the last year.

As CalNonprofits Members know, last year we brought our board, staff and constituents together to develop a policy framework — including priority issue areas and the process for taking a position. Over several months we developed this framework to guide our advocacy to best serve you, our members, and California’s nonprofit sector as a whole. We highlighted the finished framework in our last issue of the Buzz, and it can now also be found on our website.

Of course, the Legislature waits for no framework. When the 2013 session started early this year, we scanned through nearly 2,000 bills to identify policy proposals relevant to nonprofits in California. With the help of our Board and staff, and with input from nonprofits around the state, I identified dozens of bills to support, oppose and monitor. A sampling of these bills can be found in the legislation tracker under the advocacy tab on our website. While the issues range from funding for the arts to fireworks sales to voluntary tax contributions to voting access, the unifying theme is that of our mission: to bring the full power of nonprofits to serve our communities.

Working on such a broad range of issues is great for building relationships, and that's exactly what we’ve been doing this year. I’ve been walking the halls of the Capitol, putting nonprofit issues (and CalNonprofits’ voice) on the map for legislative leadership, members and staff on both sides of the aisle...and now they come to us for guidance on issues affecting the nonprofit sector. We’ve also built relationships with national, statewide and regional media outlets on a
range of policy issues, priming the pump for coverage to support our advocacy when we need it most.

While relationships with legislators and media are helpful, the most important relationships I’m building are with you – CalNonprofits members, nonprofit advocates, and coalitions working in Sacramento and across the state. In the spring we re-launched the California Nonprofit Advocates Caucus, a network of advocates working in Sacramento on the vast range of issues touched by the nonprofit sector. The re-launch event attracted a great, energetic crowd, and participants were able to share their advocacy agendas and find ways of working together. Since the event, we’ve launched an active list serve, which has proven invaluable in identifying policy surprises before they wreak havoc, and allowing different—even unlikely – partners to come together in advocacy on common issues. We welcome more advocates to join the Caucus and strengthen our voice, so please contact me for more information.

What really matters is our collective voice. As 2013’s session winds down, we’re already looking ahead at what we can accomplish in 2014 and beyond. I’ve been traveling around the state to encourage more nonprofits to get involved in advocacy and to hear from nonprofits about the issues that are affecting them the most. I’ve been on my soapbox at a foundation event in Los Angeles and a State Controller’s Office event in Walnut Creek. I’ll be continuing to speak in Sacramento, Inland Empire, the North Coast and elsewhere, rallying service organizations to become advocates and rallying advocates to become champions for the sector. And I’ve been sitting down with regional coalitions in Silicon Valley and Monterey County, learning the ways state contracting issues affect their members, and how costly workers compensation categories are affecting their bottom line. I’ll continue to visit and learn from organizations, networks and coalitions around the state, and I’m always happy to hear from you.

All of this listening and talking is leading to a refined, targeted CalNonprofits policy agenda and a strong voice from the nonprofit sector. We’re building enthusiasm for advocacy now, so that we’re all ready to engage when the 2014 session starts. We’re taking input from experts like you around the state to develop policy proposals that will have real, positive impact for California’s nonprofit sector.

It has been an action-packed nine months since I came on board with CalNonprofits, but my work has just begun. And if there is one truth in advocacy, it is that no single individual or organization can achieve real victory alone. CalNonprofits’ voice for the nonprofit sector is only as strong as the organizations that build that voice. If I haven’t had a chance to meet with your network and hear from you, please let me know. If you want to participate in the Advocates Caucus, please let me know. And most important, I thank you – CalNonprofits Members - for adding your voice. If you are not currently a CalNonprofits member, please join or renew. Help us grow and strengthen the voice of nonprofits in California.

Kris Lev-Twombly is the Director of Public Policy and Lobbyist for the California Association of Nonprofits and is available to speak to groups of organizations on policy matters affecting nonprofits. He can be reached at krisl@calnonprofits.org or (916) 207-2737 or on Twitter @krislevtwombly.
California Nonprofit Health Insurance Flowchart

1. How many full-time employees (FTEs) do you have? 1-45
   - You are exempt from the requirement to provide health insurance coverage for your staff.
   - Would you like to provide health insurance coverage?
     - Yes
       - Do you currently work with an insurance broker?
         - Yes
           - Ask your broker about the following health insurance options:
             - Coverage through Covered California’s Small Business Health Options Program (SHOP).
             - Non-Covered California plans available through your agent.
             - You will not qualify for a tax refund.
             - You may be able to obtain a healthcare refund from the IRS if you have 1-10 FTEs and average salary <$25,000.
         - No
           - You will not be charged a penalty.
           - You will not be charged a penalty for 2014.
           - Ask your broker about health insurance options available for 2014 open enrollment.
     - No
       - You can contact an insurance company directly who will refer you to a broker.

2. 50 or more
   - You are required to provide health insurance for employees but there are no penalties until the end of 2014.
   - Would you like to provide health insurance coverage?
     - Yes
       - Do you currently work with an insurance broker?
         - Yes
           - Ask your broker about health insurance options available for 2014 open enrollment.
         - No
           - You will not be charged a penalty for 2014.
           - Ask your broker about health insurance options available for 2014 open enrollment.
     - No
       - You can contact an insurance company directly who will refer you to a broker.

*FTE calculation according to the Affordable Care Act:
- Full-Time (Employees that work at least 30 hours per week in any month) – Counted as one full-time employee.
- Part-Time – Calculated by taking the hours worked by all part-time employees in a month and dividing that amount by 120.
- Seasonal – Not counted in the calculation for those working up to 120 days in a year.

Confused? Questions?
Looking for a referral?
Contact Edan Enriquez at CalNonprofits
(415) 616-3045 or edane@calnonprofits.org
Manage What the Charity Raters Say About Your Nonprofit

Charity Navigator and other online rating sites get a good deal of attention, even though they frequently employ inappropriate formulas and their ratings are based on incomplete or inaccurate data. Perhaps most importantly, they lean heavily on one-size-fits-all financial analyses drawn from Form 990 data rather than looking at impact or expression of values. But you don’t need to stand idly by while they rate your nonprofit. Here are six easy steps to help keep manage your rating.

1. **Look up your organization on all the key sites.** It’s important to know what they are saying about you, or that you aren’t listed. Among others, look at BBB Wise Giving Alliance, Charity Navigator, Charity Watch, GreatNonprofits, and Guidestar.

   (While you’re at it, set up a Google Alert with your organization’s name to get emails when something about your organization gets onto the web.)

2. **If you think your rating is unfair and inaccurate, file a protest and ask for a correction.** Response rates from the rating sites vary: some nonprofits have gotten reviews revised after months and months of arduous efforts; some have never even gotten a response to a complaint. But writing the protest letter is important, even if your rating doesn’t change. If a donor, board member or the press asks you about your poor rating, you have your protest letter to show them.

   Post your protest letter on GreatNonprofits as well. Don’t forget that readers can click-through to GreatNonprofits reviews directly from the reviews on other sites.

3. **Make a minor effort to keep your financial metrics within the conventional bounds.** Financial metrics are an off-the-mark measurement for effectiveness or values, but the rating sites rely heavily on them. (Perhaps the “charities with the lowest percentage of administrative costs” should just be renamed the “charities with the best accountants.”)

   If you have an auditor, go over the system of allocation he or she is using. It may be a simple matter, for example of re-classifying the executive director’s salary from 100% administration to 50% administration and 50% program (which it almost certainly is!).

   If you don’t have an auditor, talk with the person who prepares the Form 990. Discuss how functional expenses are reported (the functional expense section is where the raters take much of their “efficiency” data). Many smaller nonprofits mistakenly assume, for instance, that 100% of the executive director’s salary or the rent are “management and administration.” In fact, you can allocate both partially to admin and partially to programs based on time analysis and square footage use.

4. **Pay attention to the “Program Accomplishments” section of Form 990.** With more people going to the 990s through Guidestar and the rating sites, it’s more important to use that space to talk about impact and effectiveness. — continued on page 7
5. Make a minor effort to get some good reviews on GreatNonprofits. Ask your staff, board members, volunteers, audience members, and clients. If you have a gallery or a theatre, set up a table with a computer and ask people to take a moment and write a review. And if you are a client, audience member, or staff or board member, take a moment to help your nonprofit by writing a quick review.

6. Consider publicly ignoring Charity Navigator and the other sites, even if you have a good rating. When you publicize your good rating, you add undeserved legitimacy to the rating sites.

If you feel you simply must have some kind of seal or official-looking medal on your site, use the one from Guidestar. It has a nice official look but it doesn’t state that it has rated you. We like Guidestar because it provides information about nonprofits and lets readers draw their own conclusions.

The good news is that fundraising studies show that despite the raters, donors continue to base their giving choices on their values, on their connection to a nonprofit, and on whether the nonprofit is addressing an issue important to them. When your online and other messaging speaks to values, to connections and to the importance of the issues, you will trump the charity raters every time.

Fundraising studies show that despite the raters, donors continue to base their giving choices on their values, on their connection to a nonprofit, and on whether the nonprofit is addressing an issue important to them.

This article is adapted with permission from one in Blue Avocado (www.blueavocado.org).
Great Speakers
Kim Klein, Paul Vandeventer, Fred Ali, Pamela Davis, Jan Masaoka and more!

Keynote: Robert Reich, Secretary of Labor in Clinton Administration

Great Topics
How to influence the state budget, debate the overhead myth and “market solutions” for social problems, build policy coalitions and more!

Bonus!
Sneak peek at the “Economic Impact of the Nonprofit Sector in California” study results!

Register now!
$75 members / $150 not-yet-members

www.calnoprofits.org