5/28/99

Gary Bass - OMB Watch

fed budget grant reference
non-profit advocacy rights

Tax Kohl

also provide HUMDA data
American Housing Summary

Patrick Turner

National Committee for Responsible Philanthropy / Research & Advocacy Organization

Rice
Cotton
new foundation numbers

IS - Matt Hamill
tax policy, ISTOOK - advocacy rights

National Council of National NonProfits - support for non-profits 10 years
statewide organizations coalition benefit package
partner w/ national organization

Mike Rozen - Union Institute, Adult Services
Office of Social Responsibility 15 years

Non-Profits as a Sector 6-12% of GDP
resource potential - but usually on a typical basis

issues that impact just sector

Non Profit Summit at Little Rock dug transition

Some good results

Nelan Rivera
Ann Bagley
Doris Matsui
Victoria Lynch was Doris asst
Bruce Reed
Barbara Chapman when she was in Congress Affairs
Chris Fanning - orgil Cabinet Sec.

Institutionalization of NP sector

NonProfit Forum @ 1A3st Something

Non Profit Gateway - website @ GAO

needs some revitalization

White House Conference on Small Business
Corporation - leave helped to include

Foundations Head also had a conversation with Administration

45th Sec
W. H. Wagner
Strength

Philadelphia Summit on Volunteerism
Voluntary Partnerships rather than individual

Current Tension
American Renewal Alliance.
only legitimate charities are poverty related - alms based

Issues that have impact on NP sector

1) Tax Incentives to: 9 charitable giving
Schools " "

tax incentives to faith based organizations - which are not necessarily change agents

1 pager in OMB Watch — CSBG reauthorization - enacted does not allow advocacy and legal work to be allowed

HR 1607

8 federal block grant · state could use to reimburse for charitable tax credit

states are looking at

2) Pattern of CSBG
in Human Services efforts to move to markets.
does sector provide a public service
or will it be eroded in favor of market

Service providers are not commodities

Interest in creating partnership

Want to create institutionalized open communications

Tax Issues
charity battles / negotiations
who can market their charitable deduction best
NP Proposal - encourage giving by choice / donor choice
- strengthen deduction for charitable deductions
incorporated 1040 - was done that way in 80's
- retirement accounts - transfer of funds to charities

SBA - legally includes non-profits ?

① immediate legislative
- juvenile justice funds - gun controls
prohibition against lobbying @ local level
and legal advocacy

② appropriations rider - freedom of information request
in implementation OMB got 10,000 responses

amendment on Treasury Bill Postal Office - to delay implementation
until there is a study
Withdrawn
Ltd

(3) Reinvention Movement - may have impact on non-profit
ongoing
service delivery
former Senator Hatfield - local empowerment board
- basically allowed local communities to avoid federal
- massive devolution

(4) Empowerment
community technology centers - opened thru non-profits
YMCAs, urban league, etc..
major grassroots efforts

taking any 501C3 if focus is primarily internet ??

(5) Sustainability Agenda - ties to domestic investment
met with Sally Katzen
invest w/ America

Edgewood
Technology
ATT network

"Gary D. Bass" <bassg@ombwatch.org>
05/21/99 05:33:45 PM

Record Type: Record

To: Lisa Green/OPD/EOP

cc:

Subject: Meeting on Nonprofit Sector Issues on 5/28

Lisa:

Sorry I'm so late in getting back to you about the Friday, May 28 meeting at 10 a.m. regarding nonprofit sector issues. (This is even later because the email I sent earlier bounced -- I had the wrong address.) We are definitely on and here is information about the meeting.

Participants

The meeting will include:

Audrey Alvarado, Executive Director, National Council of Nonprofit Associations - NCNA is comprised of statewide nonprofit associations throughout the country. Unlike IS, its membership is primarily comprised of state and community-based organizations. Audrey is just starting as the executive director.

Gary Bass, Executive Director, OMB Watch - OMB Watch works on a range of government accountability issues and advocates greater citizen participation. We have taken a lead role in protecting the advocacy voice of nonprofit organizations and serve as co-chair of the Let America Speak coalition, the group that mobilized a response to the Istook amendment to cut off the advocacy voice of nonprofits.

Kate Conover, Deputy Director, National Committee for Responsive Philanthropy - NCRP works to make philanthropy more responsive to the needs of low-income and disadvantaged populations, and advocates greater philanthropic accountability.

Matt Hamill, Vice President for Public Policy, Independent Sector - Independent Sector is the leading representative of national nonprofit organizations, foundations and corporate giving programs. IS is a co-chair of the Let America Speak coalition.

Bristow Hardin, Director, The Union Institute's Center for Public Policy - Bristow works with Mark Rosenman and supervises much of their nonprofit-focused activity.

Patrick Lemmon, Manager, OMB Watch's Community Education Center - The Center works with nonprofit groups around the country on public policy matters of concern to nonprofits.

Mark Rosenman, Vice President, The Union Institute - This is an academic center in Ohio. Mark runs the DC policy and research center, and is a leader on nonprofit sector issues.

Purpose of Meeting

This meeting is a follow-up to a meeting with had with Audrey Choi earlier this month while she was still in the Vice President's office. She suggested the meeting with you.

The basic purpose of the meeting is to build stronger relationships with the Administration and identify ways to work collaboratively. We will provide a brief review of our history with the Clinton Administration on such matters.

We can then provide background on each of the organizations and current or looming policy issues. These policy issues will likely cover: tax incentives to increase charitable giving; attempts to use the tax code (credits) to steer charitable giving to "approved" nonprofits; initiatives to limit nonprofit advocacy; impact of devolution on nonprofits; occasional calls from the corporate sector

to deny nonprofits tax advantages in "competing" as service deliverers; streamlining and rationalizing grant processes; and increasing opportunities for public participation in policy-making.

If you have any questions, you can reach me directly or through Barb Western at (202) 234-8494. I'll send you everyone's birthdate and social security number as soon as I have them.

Gary D. Bass
OMB Watch 1742 Connecticut Ave., N.W.
Washington, D.C. 20009
TEL: (202) 234-8494 FAX: (202) 234-8584
E-mail: Gary D. Bass <bassg@ombwatch.org>
Web: http://www.ombwatch.org
Date: 05/21/99 Time: 16:33:45

Sarah Rosen Wartell
05/07/99 07:11:04 PM

Record Type: Record

To: Audrey Choi/OVP@OVP
cc: See the distribution list at the bottom of this message
bcc:
Subject: Re: meeting with non profit sector

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It also strikes me that DPC has lots of the social service issues that this group cares about. Not sure who there is the right person.

Finally, should Spotilla or OIRA/OMB meet with them about their concerns about rulemaking and grants process?

Let me know if I can help with anythying.
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Audrey Choi@OVP
05/07/99 05:21:32 PM

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- The importance of investing in unmet needs with budget surplus (e.g., there are 1 in 5 kids in poverty today whereas only 1 in 7 were in poverty 25 years ago; drinking water systems serving 50 million Americans violate health regulations and standards).

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Hope this is somewhat helpful. Thanks, AC

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(1) Non-Profits / Sectoral Issues
impact for non profits/
- coordination w/ Treasury

Audrey Choi@OVP
05/07/99 07:17:08 PM

(2)

Record Type: Record

To: Sarah Rosen Wartell/OPD/EOP@EOP
cc: See the distribution list at the bottom of this message
bcc:
Subject: Re: meeting with non profit sector

OPL would be a great solution to help them feel they have more of a voice. on the substance side, it seemed that while DPC has a lot of the issues that the individual non-profits care about, the things that the sector as a whole seems to be most affected by are some of the financial and tax issues -- i.e tax credits, revisions that would let high net worth individuals roll an ira over into a foundation or charity without taxes, etc. -- that might also be relevant for someone who deals with treasury/omb/irs.
Sarah Rosen Wartell@EOP

Sarah Rosen Wartell@EOP
05/07/99 07:11:04 PM

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David W. Beier@OVP
05/08/99 11:15:14 AM

Record Type: Record

To: Audrey Choi/OVP@OVP

cc: See the distribution list at the bottom of this message

Subject: Re: meeting with non profit sector

If possible, it would be good to set them up with OIRA as well as DPC>

Message Copied To:

sarah rosen wartell/opd/eop@eop
sally katzen/opd/eop@eop
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University of Colorado at Denver

Graduate School of Public Affairs

Campus Box 142
P.O. Box 173364
Denver, Colorado 80217-3364
Location: 1380 Lawrence Street • Suite 500
Phone: (303) 556-5970
Fax: (303) 556-5971

NCNA
National Council of Nonprofit Associations

Audrey R. Alvarado, Ph.D.
Executive Director

1900 L Street NW, Suite 605, Washington, DC 20036
(202) 467-6262 Fax: (202) 467-6261
E-mail: aalvarado@ncna.org Web: www.ncna.org

June 14, 1999

Ms. Lisa Green
Senior Advisor
National Economic Council
The White House
Washington, DC

Dear Lisa,

It was a pleasure to meet you at our meeting of May 28, 1999 to discuss ways to enhance communication between the Clinton administration and the nonprofit community. It does sound like you have a full agenda that will definitely keep you busy.

I mentioned some statistics during our meeting about the economic growth of nonprofits in Colorado and you asked me to send you some additional information. I have finally tracked down a copy and you will find a copy of the report enclosed. I hope you find it helpful to your work.

I will be starting my new job on July 6 and look forward to working with you and others in the administration.

Good luck to you.

Sincerely

Audrey R. Alvarado

Audrey R. Alvarado

FACTS ABOUT COLORADO NONPROFITS

How many charitable nonprofits operate in Colorado?

There are 3,771 "operating" charitable nonprofits (those that file annual information returns or Form 990 with the Internal Revenue Service) based in Colorado. The total number of charitable nonprofits registered in Colorado with the IRS is 12,660. The 8,840 nonprofits that do not file annual information returns are primarily organizations with annual income under $25,000 (55%), churches and religious organizations (20%), and subordinates of national organizations that file information with their parent organizations (25%).

Colorado has 1 operating charitable nonprofit per 1,000 people, placing it 15th among the 50 states. The number of nonprofits per capita tends to be higher in less densely populated states. This trend is also true of the distribution of nonprofits within states. Regions of Colorado with lower populations tend to have more nonprofits per capita, even though the total number of nonprofits in these regions is very low. The Northwestern Mountain region of Colorado (Routt, Jackson, Grand, Eagle, Pitkin, and Summit counties) has the highest number of nonprofits per person, but only ranks 4th in the total number of nonprofits per region.

State Planning Region	Population (1996)	# of Nonprofits	Nonprofits per 1M pop.
Northwestern Mountain - 12	89,942	202	2.25
Central West - 10	76,326	101	1.32
South West - 9	71,646	93	1.30
South Central - 8	43,520	56	1.29
Metro Denver - 3	2,133,385	2,168	1.02
Southeast Central - 14	21,049	19	0.90
Pikes Peak Region - 4	503,243	452	0.90
Northeastern Colorado - 1	63,757	56	0.88
North West - 11	163,304	141	0.86
Pueblo - 7	131,217	102	0.78
North Central - 2	373,914	286	0.76
South Central Mountains - 13	65,640	47	0.72
Southeastern - 6	50,405	36	0.71
East Central - 5	31,328	8	0.26
Not classified by county		4	
Total	**3,818,676**	**3,771**	**0.99**

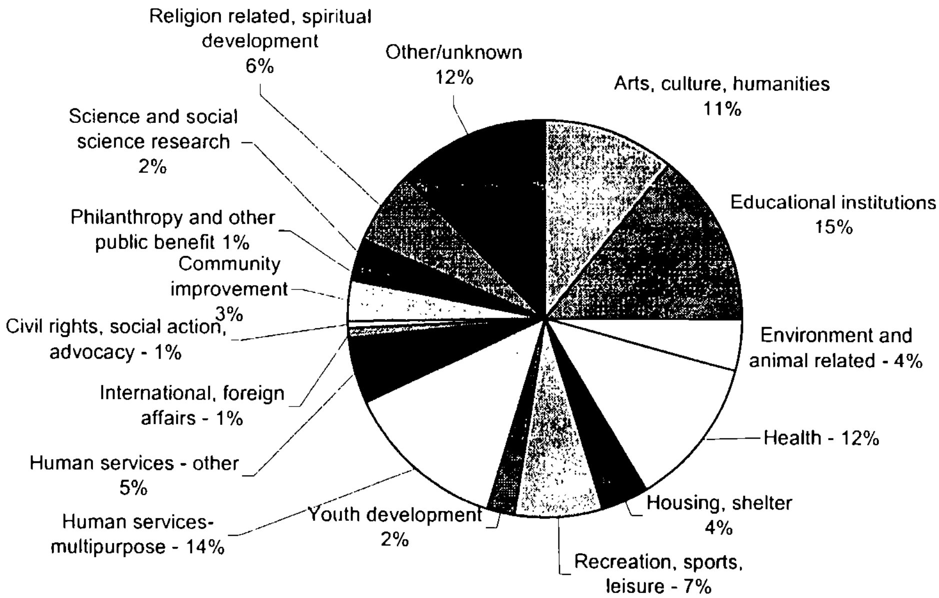
Charitable nonprofits are defined as organizations that have been recognized by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue code. Although many churches and religious organizations do register with the IRS and file annual information returns with the IRS, they are not required to do so.

There are many other types of nonprofits recognized under other 501(c) sections of the Internal Revenue Code, including business leagues, fraternal organizations, veterans' associations, social and recreational clubs, labor organizations, and various cooperative organizations and trusts. These types of nonprofits are not included in this study.

What do Colorado nonprofits do?

Colorado nonprofits provide services in a wide variety of areas. **Colorado has a greater percentage of nonprofits that operate in the arts, the environment, recreation, religion, and scientific research than the national levels.** Our state is slightly below national levels in the percentage of nonprofits who work in the areas of housing, hospitals and general health, and human services.

Colorado Nonprofits by Type



Service Areas or Type	Colorado		National	
	# of NPs	% of Total	# of NPs	% of Total
Arts, culture, humanities	**406**	**10.8%**	**19,507**	**9.8%**
Educational institutions	541	14.3%	28,225	14.2%
Environment and animal related	**156**	**4.1%**	**5,792**	**2.9%**
Health - mental health, disease-related, other	212	5.6%	11,934	6.0%
Hospitals & general health	244	6.5%	16,307	8.2%
Housing, shelter	151	4.0%	9,745	4.9%
Recreation, sports, leisure, athletics	**271**	**7.2%**	**11,639**	**5.8%**
Youth development	86	2.3%	5,269	2.6%
Human services-multipurpose	499	13.2%	28,962	14.5%
Human services - other	203	5.4%	10,866	5.5%
International, foreign affairs	28	0.7%	1,817	0.9%
Civil rights, social action, advocacy	26	0.7%	1,461	0.7%
Community improvement	122	3.2%	7,834	3.9%
Philanthropy and other public benefit	54	1.4%	2,286	1.1%
Science and social science research	**68**	**1.8%**	**2,028**	**1.0%**
Religion related, spiritual development	**236**	**6.3%**	**8,839**	**4.4%**
Supporting public charities	331	8.8%	21,162	10.6%
Other/unknown	137	3.6%	5,622	2.8%
TOTAL	3,771	100.0%	199,295	100.0%

How much money do Colorado nonprofits raise or earn?

The total revenues of Colorado nonprofits were $8.9 billion (ca 1996). Hospitals and general health care facilities account for one-third of the total revenues, followed by multipurpose human service organizations (e.g., American Red Cross, Salvation Army, YMCA, etc.) which account for 27% of the total revenues. Hospitals and general health care organizations derive most of their revenues from fees and contracts for service, with less than 3% of their funding coming from public support and contributions.

As a group, nonprofits (other than hospitals and general health care facilities) derive nearly 38% of their total revenues from public support and contributions. Some types of nonprofits – arts organizations, civil rights and advocacy groups, and scientific research institutions – are more heavily dependent on contributions and grants. Educational institutions, on the other hand, earn a higher portion of their revenues through tuition and fees and endowment income. Supporting organizations, organizations like the Metro State College of Denver Foundation and the Eagle Valley Library Foundation that exist primarily to raise funds and manage endowments for other nonprofits, derive a greater portion of their revenues from investment income.

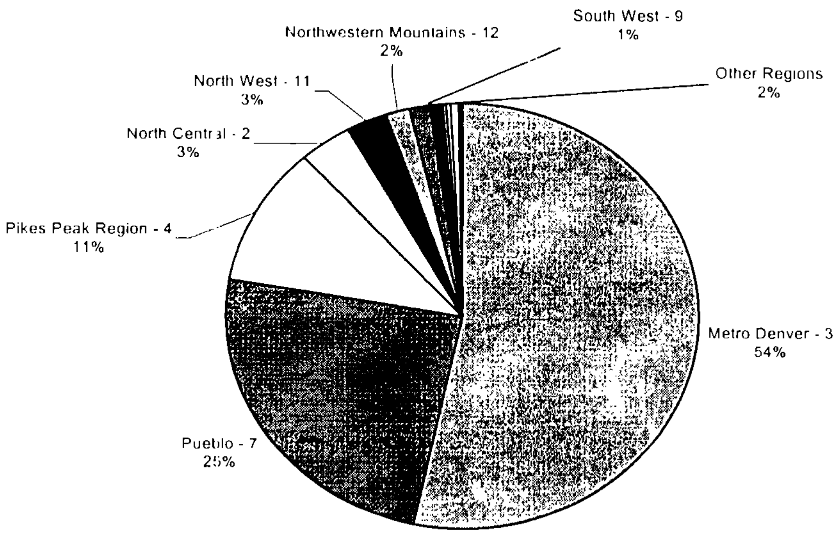
DISTRIBUTION OF REVENUES BY TYPES OF NONPROFITS

	# of Nonprofits	% of Total	Revenue	% of Total	Public Support	Pub. Supp. as % of Revenue
Arts, culture, humanities	406	10.8%	363,299,621	4.1%	223,346,962	61.5%
Educational institutions	541	14.3%	609,809,113	6.8%	48,723,925	24.4%
Environment and animal related	156	4.1%	99,141,515	1.1%	56,124,275	56.6%
Health - mental health, disease-related, other	212	5.6%	422,082,300	4.7%	53,356,403	36.3%
Hospitals/general health	244	6.5%	3,011,996,490	33.7%	87,649,304	2.9%
Housing, shelter	151	4.0%	84,346,211	0.9%	30,780,714	36.5%
Recreation, sports, leisure, athletics	271	7.2%	433,689,875	4.9%	146,112,191	33.7%
Youth development	86	2.3%	157,611,117	1.8%	88,782,904	56.3%
Human services-multipurpose	499	13.2%	2,420,694,166	27.1%	815,966,520	33.7%
Human services - other	203	5.4%	150,236,384	1.7%	76,289,380	50.8%
International, foreign affairs	28	0.7%	14,197,208	0.2%	6,586,173	46.4%
Civil rights, social action, advocacy	26	0.7%	14,281,026	0.2%	10,828,759	75.8%
Community improvement	122	3.2%	43,459,494	0.5%	21,680,799	49.9%
Philanthropy and other public benefit	54	1.4%	68,641,865	0.8%	29,229,583	42.6%
Science and social science research	68	1.8%	193,007,997	2.2%	141,562,333	73.3%
Religion related, spiritual development	236	6.3%	233,331,114	2.6%	63,915,642	27.4%
Supporting public charities	331	8.8%	537,983,776	6.0%	210,492,544	39.1%
Other/unknown	137	3.6%	79,800,470	0.9%	22,515,687	28.2%
Total	3,771	100.0%	8,937,609,742	100%	2,333,944,098	26.1%
Total without hospitals/gen. health			5,925,613,252		2,246,294,794	37.9%

How much money do Colorado nonprofits spend annually?

Colorado nonprofits spent $8.1 billion to fulfill their charitable purposes in the last annual data (ca. 1996). Colorado nonprofits tend to be smaller and have lower expenditures than nonprofits in other parts of the country. Colorado nonprofits account for 1.9% of the total number of U.S. nonprofits, but only 1.3% of their total expenditures. Distribution of expenditures by types of nonprofits mirrors the distribution of revenues. Nonprofits in the Metro Denver region account for 57% of the total number of operating Colorado nonprofits, but only 54% of the total expenditures. Pueblo nonprofits account for only 3% of the number of nonprofits and 24% of the total expenditures, due in large part to the American Red Cross which is reported in IRS records from its Pueblo base.

Expenditures of Nonprofits by Region



Region	# of NPs	Total Revenue	Expenses	Assets
Metro Denver - 3	2,168	4,815,362,286	4,330,282,407	6,514,051,571
Pueblo - 7	102	2,044,781,550	1,972,805,016	2,436,704,056
Pikes Peak Region - 4	452	1,011,461,038	866,459,484	1,619,864,177
North Central - 2	286	336,454,651	280,722,555	660,354,552
North West - 11	141	237,640,468	217,525,151	268,627,796
Northwestern Mountains - 12	202	177,974,124	144,385,517	228,488,602
South West - 9	93	98,909,756	103,393,660	95,616,557
Central West - 10	101	29,696,472	21,811,985	65,801,256
Southeastern - 6	36	57,461,671	51,852,927	54,833,024
South Central - 8	56	41,540,482	38,095,342	444,652,422
Northeastern Colorado - 1	56	23,767,799	22,342,244	40,164,843
South Central Mountains - 13	47	43,911,852	38,750,116	19,677,332
Southeast Central - 14	19	15,276,032	15,018,490	16,654,279
East Central - 5	8	3,043,300	2,965,133	3,861,893
Colorado Total	**3,767**	**$8,937,281,481**	**$8,106,410,027**	**$12,469,352,360**
U.S. Total	199,295	$668,679,975,574	$607,950,121,293	$1,159,648,071,995
Colorado as % of U.S.	**1.89%**	**1.34%**	**1.33%**	**1.08%**

How much is Colorado's Nonprofit Sector growing?

Colorado is among the fastest growing states in both population and the number of nonprofits that are being created to address the changing needs of our communities. In the last seven years (1989 to 1996), Colorado has seen a 71% increase in the number of operating nonprofits in the state, while the number of operating nonprofits nationally has grown only 50%.

	1989	1996	% Growth
Colorado	2,211	3,771	71%
United States	133,029	199,295	50%

Colorado's nonprofit sector is among the youngest in the nation, with over 50% of the operating nonprofits having been established in the last decade. Growth in the nonprofit sector in the East and Midwest has been considerably slower than in western states, in part because there are more older, established nonprofits in those regions. Most of these newer Colorado nonprofits are very small, mirroring trends in the development of small, new for-profit businesses in our state.

	National		Colorado	
	# of NPs	%	# of NPs	%
Before 1940	5,235	3.2%	37	1.0%
1940-1954	12,642	7.7%	164	4.3%
1955-1969	21,907	13.3%	318	8.4%
1970-1984	63,119	38.4%	1,169	31.0%
1985-1994	55,657	33.9%	1,536	40.7%
1994-1998	N.A.		433	11.5%
Unknown	5,687	3.5%	114	3.0%
Total	164,247	100.0%	3,771	100.0%

Finding Out About Colorado Nonprofits

This report was prepared by the Colorado Association of Nonprofit Organizations (CANPO) from the IRS Business Master File and the IRS Form 990 Return Transaction File databases, as adjusted by the National Center for Charitable Statistics. CANPO has begun the process of verifying and updating the data for Colorado nonprofits to provide nonprofit managers, the public, the press, and policy makers with more accurate information about the size and scope of Colorado's nonprofit sector and the contributions nonprofit organizations make to the quality of life in our state. This verification and updating process is expected to be completed in the fall of 1999 and will result in the publication of the second edition of CANPO's Directory of Colorado Nonprofits.

Individuals wishing more information about specific nonprofit organizations may consult CANPO's online directory of its over 1,000 member organizations at www.canpo.org or visit the Robert Boucher Library for Colorado Nonprofits at CANPO's offices, 225 East 16th Avenue, Suite 1060, Denver, CO 80203. For questions about CANPO or further information about this report, contact CANPO at (303) 832-5710 or, outside metro Denver, (800) 333-6554 or email canpo@canpo.org.

Prepared by The Colorado Association of Nonprofit Organizations
March 8, 1999

STATE PLANNING AND MANAGEMENT REGIONS USED IN THIS REPORT

The Colorado Association of Nonprofit Organizations (CANPO) is a statewide coalition of over 1,030 charitable nonprofits. CANPO provides leadership and services to strengthen the ability of charitable nonprofits to build and sustain healthy communities throughout Colorado. CANPO helps charitable and philanthropic nonprofits to manage their organizations and resources efficiently through information services, publications, educational programs, and group purchasing services. CANPO also serves as a voice for nonprofits in public policy discussions at both the state and national levels and led the successful 1996 campaign against a ballot initiative that would have removed property tax exemption for most Colorado nonprofits.

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