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## Estate Tax Repeal Advocates Up the Stakes in Estate Tax Debate

In an effort to re-emphasize their dogged commitment to tax breaks for the very wealthy, House Republicans announced last week that they would bring up the issue of permanent estate tax repeal for a vote shortly after they return from their Memorial Day recess - on June 5 or 6.

[H.R. 2143](#), introduced by Rep. Dave Weldon (R-FL) last June, calls for removing the "sunset," or expiration, provision only on estate tax repeal, which was included in last year's \$1.35 trillion tax cut. Under last year's tax cut, the estate tax will be repealed for one year in 2010, but will be re-instated in 2011. (In April, the House passed a bill removing the sunset for the entire tax cut bill, which included the estate tax.)

The House action intended to put additional pressure on the Senate to permanently repeal the estate tax. Senate Majority Leader Tom Daschle (D-SD) has agreed to allow Sens. Phil Gramm (R-TX) and Jon Kyl (R-AZ) to bring a repeal proposal to a vote by June 28.

More than 98% of all estates in the US are exempted from paying the estate tax, which is applied when individuals leave behind estates worth at least \$1 million (\$2 million for couples) at the time of their death. There is no tax on the first \$1 million per individual, and amounts in excess of \$1 million are taxed at various rates, starting at 37 percent. As a result of last summer's tax legislation, the amount that is exempted from taxation rises to \$3.5 million (\$7 million for couples) and the highest taxable rate drops from 55 percent to 45 percent by 2009.

Americans for a Fair Estate Tax (AFET), a broad-based non-partisan coalition of nonprofit groups, including civic, labor, social justice, faith-based, and environmental organizations, as well as organizations providing human services, is working to prevent passage of permanent repeal in the Senate. AFET advocates that instead of repealing the tax on multi-million-dollar estates, Congress should reform the estate tax to ensure that family farms and small businesses are not unfairly taxed while keeping 98 percent of taxpayers exempt and safeguarding Medicare, Social Security, education, charities and other key national priorities that would be threatened by a complete repeal. More information on this issue can be found online at [www.ombwatch.org/estatetax](http://www.ombwatch.org/estatetax), which will soon be at [www.fairestatetax.org](http://www.fairestatetax.org). The site has general fact sheets, state fact sheets, analyses, a recent press release, and a cover letter from selected AFET members.

AFET's website also contains a [direct link for contacting your Members of Congress and for writing letters to the editor of your local paper](#). To get involved with AFET, email [estatetax@ombwatch.org](mailto:estatetax@ombwatch.org).

## House-Passed Superwaiver is Even Worse Than Earlier Versions

The Administration's "superwaiver" proposal that passed the House on May 16 as part of welfare reform ([H.R. 4737](#)) would provide cabinet secretaries with new, far-reaching authority to approve state applications to waive federal laws and regulations affecting a number of programs -- even more than earlier versions indicated.

These programs include:

- job training programs under the Workforce Investment Act;
- the employment service;
- adult education programs;
- the Child Care and Development Fund;
- public housing;
- homelessness programs;
- the Temporary Assistance for Needy Families block grant;
- the Social Services Block Grant; and
- food stamps.

In spite of the relatively little attention it is getting in the press, the super-waiver represents a huge and sweeping change. These provisions have a number of serious problems that could negatively affect many low-income and other domestic programs. The super-waiver is heralded as a great step forward for "state flexibility," but it goes far beyond flexibility. It allows states, with only Executive Branch approval, and no public input, to waive program rules, including cutting benefits

to one group of recipients to use the savings for another group of recipients, changing income eligibility requirements, targeting populations who are easier to serve instead of those who Congress intended to be served, and even changing the very nature of a program. While new language was added that disallows waivers to transfer money from one appropriations account to another, this addresses only a few of the concerns that have been raised, and does nothing to stop transfers of money within a program area.

The Senate must now pass its version of welfare reauthorization and then the House and Senate must reconcile the legislation in conference. Even though there is no indication that super-waiver provisions will be included in the Senate reauthorization legislation, the super-waiver is a very high priority of the President and could be added either during Senate floor debate or in conference. It is important that you let your Senators know the problems you see in the super-waiver legislation. For more information see [OMB Watch's summary](#) or this [Center on Budget and Policy Priorities analysis](#).

## House Passes \$29.6 Billion Supplemental

Before adjourning for its week-long Memorial Day recess, the House passed the President's emergency supplemental appropriations bill on May 24, in a 280-138 vote. Supplemental appropriations bills, such as this one, are common tools to bridge the gap between one fiscal year's appropriations and the next. This \$29.6 billion supplemental, \$2 billion more than the President's initial \$27.1 billion request, will provide added funding for this fiscal year, which ends September 30.

According to the [House Committee on Appropriations summary of the bill](#), the bill provides \$15.8 billion for the Defense Department - which is \$1.8 billion more than the President had requested. In addition, it provides \$5.8 billion for "Homeland Security," including approximately \$3.9 billion for the newly-created Transportation Security Administration, \$380 million for the Army Corps of Engineers and the Department of Energy for "additional security requirements at the Nation's nuclear facilities and security improvements for Army Corps of Engineers facilities," and \$112 million for the FBI's investigative work. Another \$5.5 billion comes in the form of assistance for New York's recovery efforts. The full text of the [supplemental is available online](#).

The Senate will not begin to consider the supplemental until it returns from the Memorial Day recess on June 4. The Senate Appropriations Committee has passed its own supplemental, [S. 2551](#), which totals \$32 billion.

## Research on Nonprofit Advocacy Released

Preliminary [findings](#) of a multi-year study of nonprofit charitable organizations' public policy participation indicate strong recognition by nonprofit leaders of the importance of public policy participation as it relates to serving their mission and community. However, a number of key barriers stand in the way of unleashing nonprofits' civic potential.

The Strengthening Nonprofit Advocacy Project (SNAP), which is a joint effort of OMB Watch, [Tufts University](#) and [Charity Lobbying in the Public Interest](#), is the first national research effort designed to investigate the public policy role of 501(c)(3) nonprofit organizations. The goals of the research are to determine nonprofits' level of involvement in public policy issues, and to identify factors that motivate their involvement as well as factors that impede involvement.

Some of the key findings were that 86% of survey respondents say they participate in policy matters through direct lobbying, mobilizing the public to lobby, or testifying, although the frequency of such activity is very low and inconsistent. Also, while nonprofit leaders cite advocacy on policy issues as important, persistent barriers including time, limited staff and volunteer capacity, money and complexity of the federal lobby rules deter more frequent involvement. Nonprofits that depend on government and foundation revenues, view such revenue sources as presenting barriers to participation.

To view the full preliminary findings [click here](#). An [Executive Summary](#) is also available. The comprehensive report on this study will be released in the fall of 2002.

## GAO Issues Report on Exempt Organizations

The General Accounting Office has issued a report requested by the Senate Finance Committee that reviews oversight of charities and makes recommendations for improvement. Tax-Exempt Organizations: Improvements Possible in Public, IRS and State Oversight of Charities is available at [Report GAO-02-526](#).

The report found that Form 990, the annual return filed by most charities, does not provide adequate information for oversight, and advises caution in using data derived from it. It also finds that the IRS lacks "results-oriented goals and strategies for its oversight of charities," and that inadequate data sharing between the IRS and state charity officials is also a problem. The report recommends that the IRS develop results-oriented goals and measures for oversight as well as procedures for sharing data with the states. It also recommends that the IRS improve the reliability of the data it collects from the charitable community.

## NPTalk Spring 2002 Reader Survey Results

Results and observations from the NPTalk 2002 Reader online survey conducted between April 1 and May 1, 2002. We hope this summary will prove useful to other groups as they conduct their own member/reader/user surveys.

Before we share the findings from our first-ever reader survey, we wanted to share a few notes and observations:

- We received about a 7% response rate out of roughly 900 subscribers. Our average subscriber base throughout the year is about 1100. We currently do not actively advertise the list, so folks who find us generally do so through word of mouth.
- Survey reminders were included, somewhat discretely, in the headers of each NPTalk throughout April, with 2-3 reminders circulated to the whole list during that period as well. We did not, however, compare the online survey with, say, one conducted via e-mail to the readers, either as an attachment or within the body of a message. It might be worth exploring in the future whether these approaches, individually or in tandem with an online version might boost the response rate.
- While we don't have proof, we're speculating that an online survey of this type would only be filled out by those who have either a relatively strong positive or negative reaction, due to a certain level of familiarity beforehand, such that they are motivated to actually follow a link in an e-mail message to a web page requiring them to fill out information. So it might be more difficult to engage, if not ascertain, the thoughts of those who are either relatively new and/or lack some type of previous inclination towards the object of an online survey.

And now to the findings...

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### Who's Reading NPTalk

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- About a quarter of respondents have received NPTalk in the e-mail inbox for at least three years. 28% have been reading NPTalk for 1-2 years. An equal percentage of respondents (23.4%) have read NPTalk for two years and 6 months or less.
- Some 22% of NPTalk respondents are on the Mid-Atlantic US (including Washington, DC), and 20% are in the western US. Nearly 19% are in the northeast US; 11% in the Midwest; 9% in the Southwest; nearly 8% Pacific Northwest; and about 5% in the Southeast. Roughly 2% each are spaced out nationally, located in the U.S. South, or in Europe.
- About 44% of NPTalk respondents work in nonprofit service, support, or technical assistance organizations. About 19% work for nonprofit policy organizations. Just fewer than 10% are interested individuals or work in the foundation/philanthropic sector; some 6% work in the private sector, about 5% each work in academia and nonprofit trade associations, and 3% work in the public sector.
- 20% of the readers who responded represent executive/management positions, 19% research, program, or project staff within their organizations. Administrative/operations, marketing and outreach, and technology staff each made up 9% of the respondent pool, and 8% training and technical assistance. Legal and government affairs positions, membership, technology consultants, and development staffers each made up 3% of the pool. Budget/finance staff and program directors made up 2% each. Outside vendors made up nearly 5% of the respondents, compared to the almost 2% represented by volunteers.
- How did they find us? About 37% heard about us through colleagues, 19% through another discussion list or online forum, and 14% through another non-OMB Watch website. Nearly 16% first learned about NPTalk through our parent organization, OMB Watch. Three-fourths of respondents have visited the OMB Watch site, half of all respondents also belong to an OMB Watch information list, 45% read about OMB Watch in some other venue, 20% learned about us through a colleague, 17% found us through a search engine. Some 16% have either interacted with OMB Watch directly on issues with which we work, or attended a workshop or training involving our staff.

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### What NPTalkers Read

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- 47% preferred to keep NPTalk as a daily e-mail digest compared to 45% who would rather receive NPTalk as a weekly e-mail update containing content summaries with links to the full online version of individual items. 45% actually read NPTalk each day, compared to 44% who read it 1-2 times a week.
- So what do NPTalkers actually pay attention to in each digest? The most read items include:
  1. Technology News and Nonprofit Policy Items (98%)
  2. Nonprofit Advocacy and Technology Examples (83%)
  3. Opening Content Summary Index (81%)
  4. Followups/ Responses to Items and Questions (55%)
  5. Notices (Jobs, Press Releases) (53%)
  6. Event Notices (50%)
- The least read items include:

1. Requests (Information, Volunteers, etc.) (44%)
2. List Administrator Notes (36%)
3. NP Talk explanatory notes preceding individual postings (33%)
4. List Instructions at the end of each digest (14%)

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#### Value of NP Talk

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- When asked if they'd be willing to pay for NP Talk, 23% of respondents said "Yes", while 64% said "No". But, 85% said they were "satisfied" or "very satisfied" with our service to you (14% had no strong feelings either way). Oh well, \*sigh\*...
- When asked to cite how NP Talk has been most useful to them or their organizations, the following represent the highest reported items:
  1. Keeping abreast of policy issues affecting nonprofits (70%)
  2. Providing reference information (64 %)
  3. Highlighted nonprofit case examples or groups (45%)
  4. Locating technology resources (44%)
  5. Learning online and offline advocacy techniques (28%)
  6. Identifying fundraising opportunities (20%)
- When asked to rate NP Talk overall along certain criteria (1 being lowest, 5 highest), here's how the respondents scored us, on average:
  1. Is a trusted/credible information source (4.1)
  2. Is consistent in quality (3.9)
  3. Addresses topics of importance (3.9)
  4. Has useful work-related content (3.8)
  5. Is something I enjoy reading (3.8)
  6. Features material not found elsewhere (3.7)
  7. Contains items I forward to colleagues (3.5)
  8. Answers my questions (3.4)
  9. Generates discussion/debate (3.0)
  10. Is repetitive/duplicates content from other sources (2.3)

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#### What's Desired from NP Talk

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We asked what types of content NP Talk readers would like to see more (or less) or less of. The respondents surveyed cited the following:

- Would Like to See More:
  1. Nonprofit advocacy examples
  2. Nonprofit technology resources
  3. Nonprofit conferences and events
  4. Funding opportunities
  5. Training opportunities
- Maintain Current Level of:
  1. Nonprofit Action Alerts/Calls to Action
  2. Reader responses/reader-generated content
  3. Commentary/editorial
- Would Like to See Less:
  1. Question and answers to general nonprofit matters
  2. Job Notices

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#### Additional Thoughts

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We also gave survey participants the opportunity to share their overall thoughts and opinions and suggestions. This often tells you way more than any set of numbers could (and how!). Here's a condensed version of what they said:

NP Talk is unique, unusual, and not easily categorized. It is carefully written and thorough, with a truly knowledgeable editor (despite the self-admitted occasional spelling and grammatical errors). The conversational tone, eclectic range of topics, and open nature is appealing, and the editorial comments are helpful in providing context for individual items. The

quirky introductions and historical (and random pop-cultural references), help keep the proceedings interesting.

Though it takes positions and is biased, it does, more often than not, present other arguments and perspectives to consider. Given the shotgun approach to presenting information, something of interest or relevancy is bound to come up for individual readers and those who work closely with nonprofits. It's a useful part of the growing continuum of online nonprofit resources that helps to keep the sector informed of issues that are often inaccessible or fall through the cracks.

Full-length articles are inappropriate for a daily digest, so either provide a short summary and link, or allow subscribers the option to receive individual items. Longer postings make for difficult readings, so readers may wind up stopping or skipping items after a few sentences. The archiving abilities through e-mail are helpful, but the online archives need to be streamlined and improved for better ease-of-use.

NPTalk comes out too often, and does not allow individual filtering of information, such that topics of interest and or relevance are received. There is not enough information on resources or events outside of the Washington, DC area. Not enough list members seem to contribute as much information as NPTalk itself cranks out, and when there is other information, too often it's from vendors hawking products, or shameless self-promotion from individuals or organizations. While interesting, some of the lengthier analysis heavy on policy or technology minutiae could be shorter, though it's helpful to know who are the players (especially corporate and government) that affect the activities of nonprofits and their constituencies.

NPTalk is a good way to keep on top of what's happening on other key resources and forums, when there isn't time to read and digest everything floating around out there. Yet, it has a distinct niche in the nexus of technology, policy and social/voluntary/civic action, and the information has a long shelf life after the initial posting, especially the listings of resources and reviews of services to nonprofits.

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