

Texas Nonprofit Sector Public Policy Principles for 2023

Texas nonprofits improve our quality of life, making Texas a better place to live and work. They contribute to each one of the state's major industries as well as offer a range of support to their communities: providing critical services, convening stakeholders to address issues, creating long-term impact to improve the quality of life of all Texans, and generating financial and social returns to the state's economy as employers.ⁱ

Nonprofits are essential to the growth and vitality of Texas, and it is critical to ensure this sector continues to have access to the support they need to continue their vital work.

We urge policymakers to consider the following items to ensure nonprofit impact and to strengthen our state's mission-driven sector.

Fund nonprofits as economic drivers

Texas nonprofits create 1 in 8 private jobs across our state, contributing \$100 billion towards Texas' GDP.ⁱⁱ Partnering with Texas nonprofits through grants and contracts maximizes the impact of limited dollars by both supporting the public good and driving economic development. The services that many Texas nonprofits provide are essential to support the workforce of other sectors, such as childcare, after-school programs, and home health services. However, nonprofits are facing increased operating expenses including indirect costs and are experiencing an unprecedented workforce shortage that threatens the services they provide. Increased funding for nonprofit contracting with the government is needed to strengthen the capacity of the Texas nonprofit sector, ensuring that effective, quality, uninterrupted services exist for Texans and that nonprofits can maximize the full impact of taxpayer dollars. Moreover, additional funds should be allocated and allowed to support the nonprofit sector's capacity, such as general operating expenses to ensure nonprofits can safely and effectively deliver critical programs and support for adequate training and technical assistance to maintain a strong, sustainable network of nonprofits across Texas.

Invest in Texas communities and critical programs

Budgets and spending decisions affect all Texans, and these decisions have immediate and significant consequences for the individuals that nonprofits serve and the communities in which they operate. State leaders should provide sufficient resources to meet the needs of Texans equitably and adequately, with a priority on targeting the barriers to well-being faced by residents in rural communities, historically underrepresented groups, and individuals with lower incomes.

Ensure reasonable and non-burdensome regulations and requirements

Government funding is one of the larger sources of revenue for many nonprofits, but it often is accompanied by complex administrative requirements and regulations, which hinders their ability to move their mission forward. Policymakers should increase flexibility with contractors and streamline regulations, applications, and reporting and auditing requirements for nonprofit service providers.

Leverage nonprofits as trusted community partners

Texas nonprofits are trusted members of their communities and over the last couple of years, have stepped up to provide an increased level of support to Texans in need. Community foundations, local United Ways, and other philanthropic organizations have long-standing histories of identifying proven programs, distributing funds, and managing oversight effectively and efficiently. Leveraging organizations like these can strengthen the partnership between government, nonprofit, and philanthropic sectors to get resources to communities quickly. Moreover, having community voices at the table during all phases of policy making and resource allocation will help ensure funds go to proven programs that support communities and

populations most in need as well as provide state leaders the fullest, clearest picture of the issues facing communities.

Promote volunteerism, charitable giving, and civic engagement to support the common good

Philanthropy, charity, and volunteerism are voluntary contributions of money, talent, and time to help develop communities or improve the lives of others. Unfortunately, charitable giving overall has not kept pace with our state’s growing economy over the years and since COVID-19, Texas nonprofits have experienced dramatic decreases in volunteers—a critical workforce support for nonprofits.ⁱⁱⁱ

Strengthen the operational capacity and technological capabilities of our state’s information and referral systems that connect Texans to critical supports and other services provided by nonprofits.

There are a variety of ways Texans can connect to services and supports provided by nonprofits. However, these systems are not connected making it difficult for Texans who find themselves in need of assistance to navigate a maze of services and forcing community partners to create duplicative information and referral services, including resource directories. For example, since there is no interoperability between the 2-1-1 resource database—the most comprehensive and curated database on services—and the Texas Childcare Availability portal when families call 2-1-1 looking for childcare, 211 call specialists must use the public-facing Portal website to search for available childcare resources (which a family then writes down with pen and paper).

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Texas Nonprofit Strong is an initiative powered by United Ways of Texas (UWT) and OneStar. For more information, visit txnonprofits.org

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ⁱ United Ways of Texas. (2019). *Built for Texas: The Impact and Opportunity of Our Sector*. Retrieved from: <https://txnonprofits.org/built-texas-report>

ⁱⁱ United Ways of Texas. (2019). *Built for Texas: The Impact and Opportunity of Our Sector*. Retrieved from: <https://txnonprofits.org/built-texas-report>

ⁱⁱⁱ United Ways of Texas and One Star Foundation. (2020) *Texas Nonprofit Leaders’ COVID-19 Impact Report*. Retrieved from: https://txnonprofits.org/sites/txnonprofits/files/Texas%20Nonprofit%20Leaders%20COVID-19%20Impact%20Report_FINAL.pdf