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## **Next on the Board's Agenda: Fighting State Cuts**

By Robert Egger

Nonprofit boards across the country need to set emergency meetings over the next few days. The item on the agenda to discuss: their responsibility to engage in advocacy in the face of \$47-billion in budget cuts.

That is the size of the deficits that 29 states will collectively post on July 1 as their books close, according to a series of new reports by two private Washington groups, the Center on Budget and Policy and Priorities and the National Conference of State Legislatures.

The cuts in services that those fiscal realities will require will reverberate throughout the country, and their impact will be felt in every community, in every state, and at countless nonprofit organizations. Some organizations will lose government funds, while others will be asked to do more because of government cutbacks.

Unlike the federal government, most states cannot simply post deficits; they have to balance their budgets every year. That means that more than half of the states will have to make one of three basic choices to remain solvent — raise taxes, dip into their reserves, or cut services. Given the unpopularity of tax increases, and the small number of states with reserves to match the size of their deficits, it's clear that deep cuts in services are on the way.

Nevada's governor has already imposed a 4.5-percent across-the-board cut for all agency budgets, according to the new reports.

Rhode Island's governor has proposed cutting health care for 7,400 low-income residents, and officials there are debating whether to cut programs that deliver meals to older people.

Five states have proposed cutting medical or rehabilitative home care to people with disabilities. Florida has told nursing homes that they will not get scheduled cost-of-living adjustments.

The governor of California, the state with the biggest deficit (\$15-billion), has proposed cuts in elementary and secondary education of \$665 per student.

Virtually all states are looking at ways to limit access to Medicare (which already accounts for 20 percent of many states' budgets) or are considering reductions in dental, vision, or other health-care benefits, as well as increasing the amounts poor and older patients pay or delaying reimbursements to providers. Most states are going to also make cuts in elementary and secondary education, as well as to their public colleges and universities.

Mayors, governors, and even federal legislators will have few choices this year. In fact, so great is the need that some government officials are turning to the nonprofit world, not just to help provide services the government cannot afford, but also as a source of income.

In a growing number of states, government officials are exploring ways to tax properties owned by nonprofit groups. Perhaps the most far-reaching effort comes in Louisiana, where legislators want to restrict nonprofit

groups from acquiring property in the future, lest any more land in the state be taken off the tax rolls.

That lawmakers along the Gulf Coast want to hobble the groups that have helped the region recover from the devastating 2005 hurricanes is a sign of how short-sighted governments across the country can be.

But government officials are unlikely to hear a strong protest from nonprofit groups or get ideas for alternative ways to balance the budget. That is because too few nonprofit groups are organized and engaged in lobbying, and even those that do have trouble raising money from foundations to finance advocacy campaigns.

No organization can continue to think that they cannot, or should not, be engaged in the political process at the local, state, or federal level.

The reluctance to get involved in advocacy needs to change, and that's what should be on the table in nonprofit board meetings across the country. With significant government budget cuts on the way and a growing creativity in seeking revenue from nonprofit organizations, the question is not whether nonprofit groups should get involved in advocacy, but how fast can organizations mobilize in a campaign that will ensure that the voices of nonprofit leaders are heard throughout the country.

Advocacy, however, can take many forms, and groups have numerous options to consider.

First, all groups must consider making their daily work a form of advocacy.

That means organizations must jettison the go-it-alone mantra and work together to draw volunteers, grant makers, elected officials, their constituents, and other key players in each community into a discussion about what is possible if everybody works together.

Even in the toughest of times, America's communities are rich in time and talent, and nonprofit groups are ideally suited to expose citizens and legislators alike to resources yet untapped.

Second, every group can conduct advocacy by working with an association that represents their concerns.

More nonprofit groups should seriously consider joining (or starting) a state association of nonprofit organizations. Young nonprofit leaders should join with their generational peers to develop networks and share new tactics. People who work on the same missions can join forces with organized or informal coalitions.

The goal is to avoid the Balkanization of efforts that has limited the ability of nonprofit groups to be heard at the courthouse, statehouse, and White House. Most important, all groups must seek to develop a unified voice for their members based on shared economic considerations.

Finally, every board must openly discuss how it will enter the political process, or it runs the risk of being overwhelmed by the economic wave that is forming.

Board members have often been the bulwark between their organizations and the political process. Too many board members have been burdened by the wrong advice about what nonprofit groups can or cannot do, or have been unwilling and at times even intimidated by the potential risks of becoming politically engaged.

But we have reached a point where the risks of not being involved outweigh even the most threatening overtures that nonprofit advocacy might elicit. Every board must now become informed about the rules, then determine what role it will play.

In many states across the country, nonprofit groups are already stepping forward to ensure that candidates

running for office in the November elections understand what nonprofit groups bring to the debate. They are asking every candidate to fully explain how he or she would work with nonprofit organizations and focus the energy and ideas of the community to mitigate cuts in spending, while also developing bold, new economic tactics for the future.

Every community across the country will soon be tested. The role of nonprofit organizations can no longer be limited by the unfounded fear of what might happen if they get involved in advocacy.

In fact, nonprofit leaders should be motivated by the reality of what being uninvolved has brought to our very doorsteps. We have the potential to help even the most challenged community rise above the trials that are coming, but only if we step forward now and all together.

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