

## Comparison of Nonprofit Provisions in House and Senate Budget Proposals for FY2019-2021

*Revised: June 26, 2019*

Issue	Senate Budget	House Budget	Legislative Compromise Budget
<b>Total spending</b>	<ul style="list-style-type: none"> <li>\$23.9 billion in FY 2019-20 and \$24.4 billion in FY 2020-21</li> </ul>	<ul style="list-style-type: none"> <li>\$23.9 billion in FY 2019-20 and \$24.8 billion in FY 2020-21</li> </ul>	<ul style="list-style-type: none"> <li>\$24.0 billion in FY 2019-20 and \$24.8 billion in FY 2020-21</li> </ul>
<b>Nonprofit sales tax refunds</b>	<ul style="list-style-type: none"> <li>Preserves nonprofit tax exemption.</li> </ul>	<ul style="list-style-type: none"> <li>Preservers nonprofit tax exemption.</li> </ul>	<ul style="list-style-type: none"> <li>Preservers nonprofit tax exemption.</li> </ul>
<b>Incentives for charitable giving</b>	<ul style="list-style-type: none"> <li>Restores IRA charitable rollover on state taxes.</li> </ul>	<ul style="list-style-type: none"> <li>Restores IRA charitable rollover on state taxes.</li> </ul>	<ul style="list-style-type: none"> <li>Restores IRA charitable rollover on state taxes.</li> </ul>
<b>Tax deductions (including charitable deduction)</b>	<ul style="list-style-type: none"> <li>Increases the standard deduction (or zero tax bracket) by 3.5%.</li> <li>Keeps the charitable deduction uncapped.</li> </ul>	<ul style="list-style-type: none"> <li>Increases the standard deduction (or zero tax bracket) by 3.5%.</li> <li>Keeps the charitable deduction uncapped.</li> </ul>	<ul style="list-style-type: none"> <li>Increases the standard deduction (or zero tax bracket) by 3.5%.</li> <li>Keeps the charitable deduction uncapped.</li> </ul>
<b>Tax rates</b>	<ul style="list-style-type: none"> <li>Reduces franchise tax rates for businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces franchise tax rates for businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces franchise tax rates for businesses.</li> </ul>
<b>Nonprofit salaries</b>	<ul style="list-style-type: none"> <li>Includes a requirement that nonprofits may not spend more than \$120,000 per year in state funds on any individual's salary.</li> </ul>	<ul style="list-style-type: none"> <li>Includes a requirement that nonprofits may not spend more than \$120,000 per year in state funds on any individual's salary.</li> </ul>	<ul style="list-style-type: none"> <li>Includes a requirement that nonprofits may not spend more than \$120,000 per year in state funds on any individual's salary.</li> </ul>
<b>Nonprofit earmarks</b>	<ul style="list-style-type: none"> <li>Includes a few appropriations for specific nonprofits.</li> </ul>	<ul style="list-style-type: none"> <li>Includes a few appropriations for specific nonprofits.</li> </ul>	<ul style="list-style-type: none"> <li>Includes more than \$117 million in earmarked appropriations for 207 nonprofits in key legislative districts.</li> </ul>
<b>Competitive grants for nonprofits through the N.C. Department of Health and Human Services (DHHS)</b>	<ul style="list-style-type: none"> <li>Makes no changes.</li> </ul>	<ul style="list-style-type: none"> <li>Provides a \$500,000 recurring increase and a \$450,000 one-time increase in funding for these grants to nonprofits.</li> </ul>	<ul style="list-style-type: none"> <li>Makes no changes.</li> <li>Identifies recipients for these grants for FY2019-20 and resumes a competitive grants program for FY2020-21.</li> </ul>
<b>Medicaid expansion</b>	<ul style="list-style-type: none"> <li>Not included in budget proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Not included in budget proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Not included in budget proposal.</li> <li>Provision encourages Governor Cooper to call an extra session to consider issues around access to health care, including Medicaid</li> </ul>

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			expansion and association health plans.
<b>Government contracting with nonprofits</b>	<ul style="list-style-type: none"> <li>Makes no changes.</li> </ul>	<ul style="list-style-type: none"> <li>Requires DHHS to create a workgroup to develop solutions to duplicative administrative requirements for mental health, substance use disorder, and intellectual/developmental disability providers.</li> </ul>	<ul style="list-style-type: none"> <li>Requires DHHS to create a workgroup to develop solutions to duplicative administrative requirements for mental health, substance use disorder, and intellectual/developmental disability providers.</li> </ul>
<b>North Carolina 2-1-1</b>	<ul style="list-style-type: none"> <li>Provides \$250,000 in one-time funding in FY2019-20 for the statewide 2-1-1 system which connects North Carolinians to nonprofits and other local service providers during disasters and other emergencies.</li> <li>Provides no funding for FY2020-21.</li> </ul>	<ul style="list-style-type: none"> <li>Provides \$250,000 in recurring funding for the statewide 2-1-1 system which connects North Carolinians to nonprofits and other local service providers during disasters and other emergencies.</li> </ul>	<ul style="list-style-type: none"> <li>Provides \$250,000 in recurring funding for the statewide 2-1-1 system which connects North Carolinians to nonprofits and other local service providers during disasters and other emergencies.</li> </ul>
<b>Smart Start</b>	<ul style="list-style-type: none"> <li>Provides \$2,400,000 in additional one-time funding each year.</li> <li>Provides \$392,654 in recurring funding for child care subsidies.</li> <li>Provides \$1,400,000 per year in additional child care related funding.</li> <li>Provides \$300,000 per year in additional family support funding.</li> <li>Provides \$300,000 per year in additional child health funding.</li> <li>Requires 19% matching funds for local Smart Starts.</li> </ul>	<ul style="list-style-type: none"> <li>Provides \$5,000,000 in additional one-time funding for FY2019-20 and \$2,000,000 in additional one-time funding for FY2020-21.</li> <li>Provides no additional funding for child care subsidies.</li> <li>Provides \$3,500,000 in FY2019-20 and \$1,400,000 in FY2020-21 in additional child care related funding.</li> <li>Provides \$750,000 in FY2019-20 and \$300,000 in FY2020-21 in additional child health funding.</li> <li>Provides \$750,000 in FY2019-20 and \$300,000 in FY2020-21 in additional family support funding.</li> <li>Provides \$14.8 million in one-time funding (over two years) for child care, family support, and health-related services.</li> <li>Requires 19% matching funds for local Smart Starts.</li> </ul>	<ul style="list-style-type: none"> <li>Provides \$392,654 in recurring funding for child care subsidies.</li> <li>Provides \$1,400,000 per year in additional child care related funding.</li> <li>Provides \$300,000 per year in additional family support funding.</li> <li>Provides \$300,000 per year in additional child health funding.</li> <li>Requires 19% matching funds for local Smart Starts.</li> </ul>

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<b>DHHS relocation</b>	<ul style="list-style-type: none"> <li>• Would relocate DHHS operations from Wake County to Granville County. This could remove continuity in services and staffing for the hundreds of nonprofits that contract with DHHS to provide services to North Carolinians.</li> </ul>	<ul style="list-style-type: none"> <li>• Makes no changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Would relocate DHHS operations from Wake County to Granville County. This could remove continuity in services and staffing for the hundreds of nonprofits that contract with DHHS to provide services to North Carolinians.</li> </ul>
<b>Certificate of need</b>	<ul style="list-style-type: none"> <li>• Amends the state’s certificate of need law – which limits the ability of new healthcare providers such to build medical facilities, purchase medical equipment, or offer many types of surgical procedures – in 2025.</li> </ul>	<ul style="list-style-type: none"> <li>• Makes no changes to certificate of need laws.</li> </ul>	<ul style="list-style-type: none"> <li>• Makes no changes to certificate of need laws.</li> </ul>
<b>Child advocacy centers</b>	<ul style="list-style-type: none"> <li>• Provides \$418,000 in additional recurring funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides \$500,000 in additional one-time funding for FY2019-20, but none for FY2020-21.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides \$500,000 in additional one-time funding for FY2019-20, but none for FY2020-21.</li> </ul>
<b>Arts and cultural grants</b>	<ul style="list-style-type: none"> <li>• Provides no additional funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides \$1 million in additional one-time funding for grassroots arts grants in Tier 1 and Tier 2 counties and Tier 3 counties with population under 100,000.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides \$1,350,000 in additional one-time funding for grassroots arts grants (\$500,000 in FY2019-20 and \$850,000 in FY2020-21) in Tier 1 and Tier 2 counties and Tier 3 counties with population under 130,000.</li> </ul>
<b>Nonprofit science museums</b>	<ul style="list-style-type: none"> <li>• Provides no additional funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a \$100,000 one-time increase in grants to science museums.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a \$675,000 in one-time increase in grants to science museums for each year of the biennium. Increased funding is only available to science museums in Tier 1 or Tier 2 counties or Tier 3 counties with populations below 130,000.</li> </ul>
<b>Domestic violence grants</b>	<ul style="list-style-type: none"> <li>• Requires the N.C. Council for Women to report to legislators about domestic violence grants within five days of when they are distributed.</li> <li>• Provides \$5,000 in funding for an improved grants management system.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires the N.C. Council for Women to report to legislators about domestic violence grants within five days of when they are distributed.</li> <li>• Provides \$5,000 in funding for an improved grants management system.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires the N.C. Council for Women to report to legislators about domestic violence grants within five days of when they are distributed.</li> <li>• Provides \$5,000 in funding for an improved grants management system.</li> </ul>

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<b>Grants to educational nonprofits</b>	<ul style="list-style-type: none"> <li>Provides no additional funding.</li> </ul>	<ul style="list-style-type: none"> <li>Provides funding for grants to three nonprofits providing educational services.</li> </ul>	<ul style="list-style-type: none"> <li>Provides funding for grants to several nonprofits providing educational services.</li> </ul>
<b>2020 Census</b>	<ul style="list-style-type: none"> <li>Provides no state funding.</li> </ul>	<ul style="list-style-type: none"> <li>Provides \$750,000 in funding to help ensure a complete count in North Carolina in the 2020 Census.</li> </ul>	<ul style="list-style-type: none"> <li>Provides no state funding.</li> </ul>
<b>Disbursement of grants and appropriations to nonprofits</b>	<ul style="list-style-type: none"> <li>Provides that one-time state grants and appropriations to nonprofits of \$100,000 or less may be disbursed as a single payment and that larger grants or appropriations may be disbursed as monthly or quarterly payments.</li> <li>Requires state agencies to pay out these grants or appropriations as soon as possible and no later than September 15, 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Provides that one-time state grants and appropriations to nonprofits of \$100,000 or less may be disbursed as a single payment and that larger grants or appropriations may be disbursed as monthly or quarterly payments.</li> <li>Requires state agencies to pay out these grants or appropriations as soon as possible and no later than September 15, 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Provides that one-time state grants and appropriations to nonprofits of \$100,000 or less may be disbursed as a single payment and that larger grants or appropriations may be disbursed as monthly or quarterly payments.</li> <li>Requires state agencies to pay out these grants or appropriations as soon as possible and no later than September 15, 2019.</li> </ul>
<b>Disaster relief</b>	<ul style="list-style-type: none"> <li>No new grants for nonprofits.</li> </ul>	<ul style="list-style-type: none"> <li>No new grants for nonprofits.</li> </ul>	<ul style="list-style-type: none"> <li>Creates a one-time, \$1 million grant program through the NC Department of Public Safety for “volunteer organizations” that provide disaster recovery services.</li> <li>Provides \$4.5 million to the Golden LEAF Foundation for grants for local governments and nonprofits for infrastructure repairs due to hurricane damage.</li> </ul>
<b>Affordable housing grants</b>	<ul style="list-style-type: none"> <li>No new funding.</li> </ul>	<ul style="list-style-type: none"> <li>No new funding.</li> </ul>	<ul style="list-style-type: none"> <li>Creates \$2.5 million matching grants program for nonprofits planning and constructing affordable housing.</li> </ul>