

**FOR IMMEDIATE RELEASE:** 7/6/16 **CONTACT:** Mary Erin Casale

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## **NEW National Survey of Nonprofits Released**

More than 1,000 Nonprofits React to Federal Overtime Rules

**Portland, ME** – Maine Association of Nonprofits (MANP), the largest membership organization in the state dedicated to strengthening Maine's nonprofits, is sharing the latest results of a new nationwide survey by their partners at the National Council of Nonprofits. The new federal overtime rules are generating moral support, operational anxiety, and concern for the public among nonprofit organizations providing services on behalf of governments, according to survey responses from more than a thousand nonprofits from all 50 states.

The U.S. Department of Labor's <u>Overtime Final Rule</u>, published in late May and effective December 1, will require most for-profit, government, and nonprofit employers to pay overtime to full-time employees earning less than \$913 per week (47,476/yearly) regardless of whether they are otherwise classified as white collar workers. As a trusted resource for Maine's nonprofits, MANP is providing education and support to members as they work through this transition.

"MANP is dedicated to strengthening nonprofits throughout Maine and is delivering the tools nonprofits need as they address these new guidelines," said Scott Schnapp, Executive Director of MANP. "The latest rulemaking has nonprofits rightfully concerned, but because of our experience and network, we are able to swiftly design new programming. These survey results will help us identify opportunities to assist our members in addressing this transition with accountability, trust and transparency."

## **Key findings include:**

- Moral support for the new overtime policy, coupled with operational anxiety in terms of how to cover the increased costs while maintaining current levels of service.
- Concern for the public, as a third of respondents anticipate that to comply with the new overtime rule they will be forced to reduce staff and service levels.
- Nonprofits with government grants and contracts find themselves stuck between a rock and a hard
  place. The vast majority of respondents reported that their existing government contracts don't
  take these higher costs into account and, unlike for-profits that can raise prices or governments
  that can raise taxes or cut services, nonprofits with government grants/contracts typically are
  contractually bound to provide services at fixed reimbursement rates that will not reflect the higher
  costs imposed by the new overtime rule.
- Nonprofits are already subsidizing governments. Consistent with similar findings of national surveys, 58 percent of survey respondents acknowledged that existing government grants and contracts cover only between 70 and 90 percent of the actual cost of service delivery.

Read the <u>full survey report</u> and additional insights on the Final Overtime Rule's <u>effects on nonprofits</u>.

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## **About the Maine Association of Nonprofits**

Since 1994, MANP has grown to become Maine's comprehensive resource for the tools, knowledge, and connections nonprofits need to be effective and well-run. With a growing statewide membership of almost 800 nonprofit and 135 for-profit organizations, MANP advances the public profile of Maine nonprofits by highlighting their vital contribution to the quality of life in our state, connects people, organizations and resources from all sectors to foster collaborative problem solving, and strengthens nonprofits by providing management training and leadership development programs, resources and services to help staff and board leaders enhance their community mission impact.

## **About the National Council of Nonprofits**

The National Council of Nonprofits is a trusted resource and advocate for America's charitable nonprofits. Through our powerful network of State Associations and 25,000-plus members – the nation's largest network of nonprofits – we serve as a central coordinator and mobilizer to help nonprofits achieve greater collective impact in local communities across the country. We identify emerging trends, share proven practices, and promote solutions that benefit charitable nonprofits and the communities they serve. Learn more at www.CouncilofNonprofits.org.