

RAPID RELIEF SERIES UNDERSTANDING THE FEDERAL TAX BILL: KEY TAKEAWAYS FOR ALASKA'S NONPROFITS, TRIBES & LOCAL GOVERNMENTS

the foraker group

1

The Foraker Group

The Foraker Group's core purpose is to **strengthen nonprofits**



Educational
Opportunities



Shared Services



Organizational
Development



Public Policy



Fiscal
Sponsorship

A few signature programs and products:

- Certificate in Nonprofit Management
- Financial Shared Services
- From Bias to Belonging
- Leadership Summit
- Pre Development toolkit
- Economic Impact Report
- Executive Leadership Intensive
- Leadership Transition

the foraker group

(907) 743-1200
info@forakergroup.org

2

Stay up to date



3

Context from Foraker Research

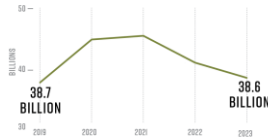
- The following information was not shared live during the webinar, but does provide important context for how federal funding influences all aspects of Alaska's economy.
- The full report can be found on Foraker's website



4



Federal funding is part of nonprofits' diversified budgets



Total federal grant dollars to Alaska, 2019-2023

Source: USASPENDING.GOV



NOTE Federal grant funding to Alaska includes formula, project, block grants, and special funds, including pandemic relief, infrastructure, and broadband resources, as well as the reintroduction of congressionally directed spending.

Source: USA Spending

the foraker group

5



Charitable nonprofits generate revenue from a variety of sources

\$5.94 BILLION in revenue for 2023



NOTE The large "other" category is a result of nonprofits filing the 990-EZ form, which unfortunately requires little detail as opposed to those filing the full 990. Both types of filing are included in this report.

Source: IRS 990 data, 2023

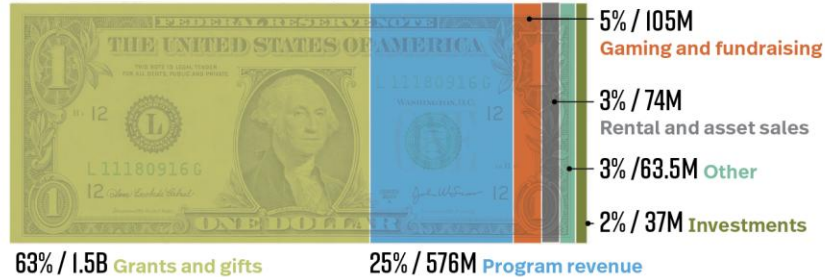
the foraker group

6



Charitable nonprofit revenue by source (excluding healthcare nonprofits), 2023

\$2.3 BILLION in revenue for 2023



NOTE The large "other" category is a result of nonprofits filing the 990-EZ form, which unfortunately requires little detail as opposed to those filing the full 990. Both types of filing are included in this report.

Source: IRS 990 data, 2023

the foraker group

7



Snapshot of federal investments based on specific bills Note that in 2025, some of these investments will not occur

A snapshot of special federal investments in Alaska from 2022-2024

\$2.5 TRILLION
in federal spending tied
to COVID-19

\$7.6 BILLION
from the Infrastructure Investment
and Jobs Act also known as the
Bipartisan Infrastructure Law

\$2.5 BILLION
from the
Inflation Reduction Act

\$2.2 BILLION
from the federal
broadband funding

NOTE It is not possible to track spending tied to specific programs. However, by combining information from several sources, it is possible to identify infrastructure data up to March 2024 and broadband data up to October 2024.

Source: USA Spending, The White House, Internet for All, IRA Tracker

the foraker group

8

Rapid Response series so far...

- [Financial Scenario Planning](#)
- [Mergers, Acquisitions, Consolidations, Partnerships, and Everything In Between](#)
- [Navigating Staffing Changes: Managing Layoffs and Furloughs](#)
- [Raising Revenue in a Crisis: Is It Even Possible?](#)
- [Raising Charitable Dollars in a Crisis: What to Consider Now](#)
- *Currently Scheduled*
 - [Rapid Response Office Hours: Collaborations and Mergers](#)
 - [Rapid Response Office Hours: Fundraising](#)
 - [Rapid Response Office Hours: Financial Scenario Planning](#)
 - [Rapid Response Office Hours: Human Resources Scenario Planning](#)
 - [Rapid Response Office Hours: Role of Board Governance](#)

The policy areas in the H.R.-1

- Tax law
- Immigration
- National defense
- Healthcare, including significant changes to Medicaid and the Affordable Care Act
- SNAP - food security
- Student loan debt
- Energy
- Transportation
- Social safety net programs
- Student loan forgiveness shifts
- AI
- And more...

Intention of today

- Our goal today is big picture – first blush of what we see in the bill and what we are watching
- There is still plenty we don't know about the impacts of this bill
- Some aspects of the bill are immediate, and others will take years to take effect
- There are still plenty of questions about what implementation will look like across the country and what special provisions will look like for Alaska

Our guests today

- **Tiffany Carter** – Public Policy Director, National Council of Nonprofits
 - Focusing on nonprofit-specific tax provisions
- **Jordan Marshall** – Foraker's legislative consultant
 - Focusing on the State of Alaska impact and response
- **Ben Mallott** – President and CEO, Alaska Federation of Natives
 - Focusing on Indigenous and impacts on Tribes
- **Nils Andreassen** – Executive Director, Alaska Municipal League
 - Focusing on impact on local municipal government, infrastructure and energy projects
- **Monique Martin** – Vice President of Intergovernmental Affairs, Alaska Native Tribal Health Consortium
 - Focusing on Medicaid, SNAP, and healthcare in rural and urban Alaska

Run of show

- Each of our guests will take a moment to introduce themselves and share some context to their point of view.
- They will each share some top issues they are paying attention to
- We will attempt some conversation among the panel as well if time allows.
- We will keep some time at the end for a limited number of questions – likely based on themes collected from the chat.
- We will post links as we go in the chat bar and post the recording and links on our website later in the week.

the foraker group

13

13

Rapid Response: Understanding the Federal Tax Bill

The Foraker Group

Tiffany Gourley Carter, Public Policy Director and Counsel
July 30, 2025

Champions for the public good



14

Networks of the National Council of Nonprofits



15

H.R. 1

2025 Tax Debate

- **2017 Tax Law:** \$1.5 trillion tax reform passed through reconciliation.
- **Why 2025?** Many provisions expire on 12/31
 - Individual and Corporate tax rates
 - Standard deductions
 - Estate and gift taxes
 - Child tax credit
 - Others

16

H.R. 1

Nonprofit Priorities

X New or expanded taxes on nonprofit organizations, including foundations.

- **Private Foundation Excise Tax** – up to 10% (not included in Final - out in Senate)
- **UBIT on Transportation** – 21% (not included in Final - out in Senate)

17

H.R. 1

Nonprofit Priorities

✓ Expanded charitable donations for individuals

- **Non-Itemizer Deduction**
 - \$1,000 individuals/ \$2,000 couples (increased in Final – Senate)

X Limits on charitable donations as a "pay for" for the bill.

- **Floor + Cap on Individual Giving for Itemizers**
 - 0.5% (included in Final - Senate)
 - 2/37 (~35%)
- **Corporate Giving Floor** – 1%

18

Versions - Costs

House
(JCT)
\$4T

Senate
(JCT)
\$4.2T

Final
(CBO)
\$3.4T

19

19

**Attempts to
Weaken or
Eliminate
Nonprofit
Nonpartisanship
/ Johnson
Amendment**

Legislation

- Free Speech Fairness Act (S.1205/H.R.2501)
- Ohio HCR 9
- Other State Action?

20

Attempts to
Weaken or
Eliminate
Nonprofit
Nonpartisanship
/ Johnson
Amendment

Executive Actions

- Executive Orders
 - 2017 – Promoting Free Speech and Religious Liberty
 - 2025 – Establishment of the Religious Liberty Commission
- Regulations
 - Treasury Priory Guidance Plan 2025-2026
 - Institute for Free Speech recommendations

21

Attempts to
Weaken or
Eliminate
Nonprofit
Nonpartisanship
/ Johnson
Amendment

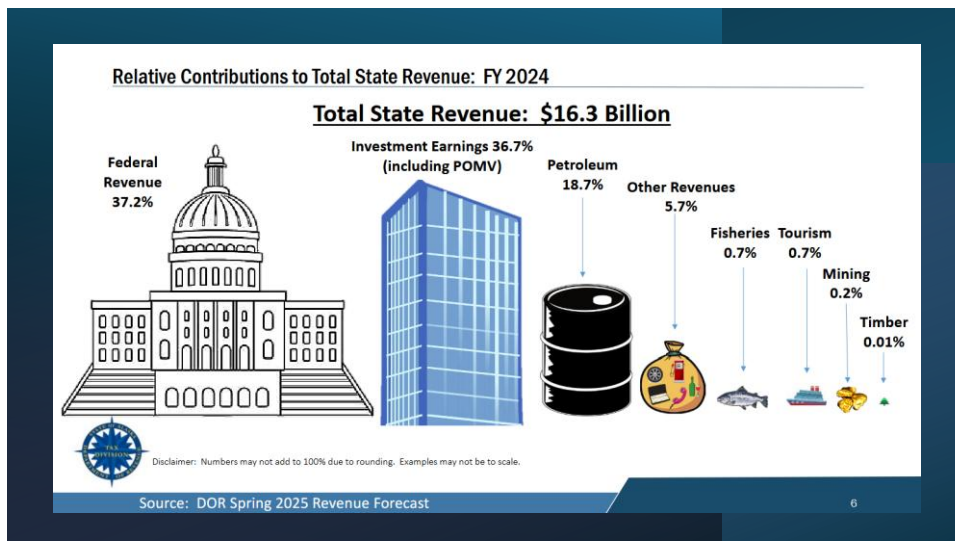
Litigation

- *SAFE SPACE* case – voluntarily dismissed without prejudice (Mar. 2024)
- *National Religious Broadcasters v. Long* - ongoing (Nov. 2024)
 - Proposed Settlement Agreement

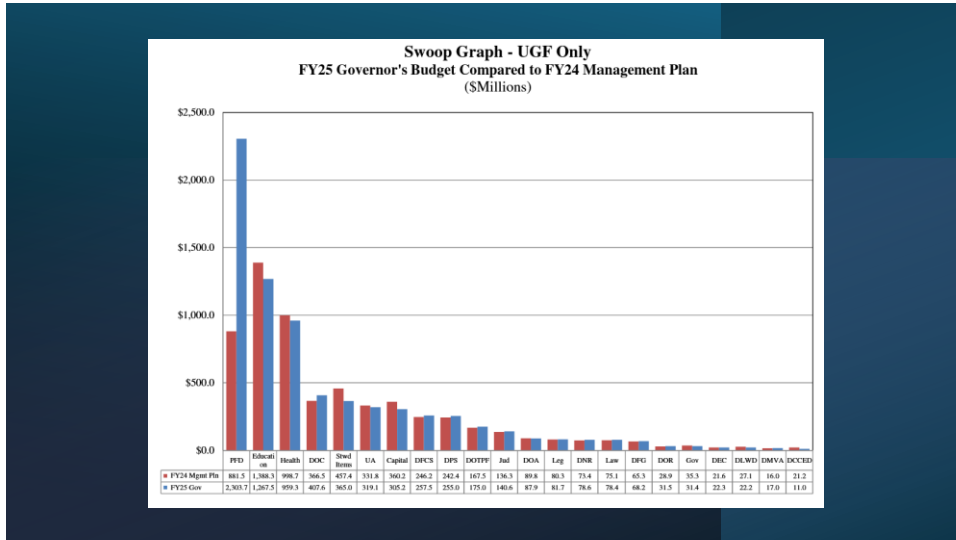
22

Contact me
tcarter@councilofnonprofits.org

23



24



25

Source of Funds	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Traditional UGF Revenue	2,571.3	2,399.9	2,419.1	2,449.1	2,396.8	2,405.1	2,550.2	2,541.5	2,736.9	2,893.8	2,871.9
Petroleum Revenue	1,849.1	1,724.8	1,731.5	1,742.3	1,676.4	1,673.1	1,803.7	1,885.9	1,965.3	2,111.2	2,077.0
Non-Petroleum Revenue	584.3	587.3	599.9	619.1	632.7	644.2	658.8	667.8	683.9	694.9	707.2
Investment Revenue	3,795.2	3,886.7	4,063.7	4,099.7	4,216.7	4,345.7	4,477.7	4,614.7	4,755.7	4,903.7	5,057.7
Non-POMV Investment Revenue	137.9	87.8	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7	87.7
Percentage of Market Value	3,657.3	3,798.9	3,976.0	4,012.0	4,129.0	4,258.0	4,390.0	4,527.0	4,668.0	4,816.0	4,970.0
Revenue Adjustments	32.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Carryforward	32.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	6,260.7	6,198.8	6,355.1	6,461.1	6,525.8	6,663.1	6,940.2	7,168.5	7,401.9	7,709.8	7,841.9
PFD Deposit	(814.3)	(2,304.4)	(2,214.5)	(2,488.5)	(2,400.3)	(2,681.2)	(2,765.2)	(2,852.6)	(2,943.8)	(3,038.5)	(3,136.9)
Available Revenue	5,346.4	3,694.4	4,180.6	3,972.6	3,925.5	3,981.9	4,175.0	4,315.9	4,461.1	4,671.3	4,705.0
Deposit/(Draw)	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
	(149.9)	(1,520.9)	(1,212.5)	(1,545.9)	(1,714.5)	(1,788.7)	(1,720.7)	(1,719.8)	(1,714.5)	(1,635.9)	(1,727.6)
Reserve Balances	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Statutory Budget Reserve											
SBR Beginning Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus/(Draws)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SBR End Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Constitutional Budget Reserve											
CBR Beginning Balance	2,717.8	2,884.0	1,525.4	434.0	(987.2)	(2,573.1)	(4,229.5)	(5,813.9)	(7,393.3)	(8,963.2)	(10,450.1)
Earnings & Deposits	166.2	161.9	121.1	124.8	128.5	132.3	136.3	140.4	144.6	149.0	153.4
Surplus/(Draws)	0.0	(1,520.6)	(1,212.5)	(1,545.9)	(1,714.5)	(1,788.7)	(1,720.7)	(1,719.8)	(1,714.5)	(1,635.9)	(1,727.6)
CBR End Balance	2,884.0	1,525.4	434.0	(987.2)	(2,573.1)	(4,229.5)	(5,813.9)	(7,393.3)	(8,963.2)	(10,450.1)	(12,024.3)
* CBR estimated balance provided by the Division of Finance as of 12/10/2024											
(12,024.3)											

26

H.R. 1– Medicaid Provisions

Medicaid Community Engagement Requirements

- Individuals aged 18-64 to participate in qualifying activities for at least 80 hours per month
 - Working, volunteering, job training, and education
- States must implement by 12/31/2026
 - “Good faith effort” - States can apply for a two-year extension, one time only
- Exemptions for specific groups including:
 - Alaska Native & American Indian people, those with dependent or disabled children, the medically frail, pregnant or postpartum women, people in areas with high unemployment
 - Seasonal workers: Details TBD

Medicaid Reverifications

- Renewals every six months instead of every 12 months for the Medicaid expansion population
- Starting by December 31, 2026
- Alaska Native & American Indian people – Maintain annual renewal process



27

H.R. 1 – Medicaid Provisions

Retroactive Coverage (Currently 90-Day retroactive coverage)

- Medicaid Expansion population: 30-day retroactive coverage
- Traditional Medicaid population: 60-day retroactive coverage
- Effective: 12/31/2026

Requires states to impose cost sharing

- Allows up to \$35 per service for adults with incomes between 100–138% FPL
- Exempts: primary care, mental health, substance use disorder services, FQHC Patients
- Effective: 10/01/2028
- Alaska Native & American Indian people are exempted from cost sharing provisions



28

H. R. 1 – Medicaid Provisions

Address Verification

- Confirm Medicaid recipient address information using reliable data sources
- Effective: January 1st, 2027
- May disproportionately impact residents in rural communities

Limits on 1115 Waivers

- Section 1115 demonstration projects allow States to waive certain federal requirements to better meet the need of recipients
- HHS may not approve 1115 Waivers (new or renewals) unless it is budget neutral



29

H.R. 1– SNAP Provisions

Expands existing Work Requirements for SNAP Receipts

- Exemptions for:
 - People under 18, or over 65, years of age
 - Raises the age of exemption from 55 to 65
 - Pregnant Women
 - Alaska Native & American Indian people
 - Medically certified as physically or mentally unfit for employment;
 - Parent or other member of a household with responsibility for a dependent child under 14 years of age

Special Provision for Alaska and Hawaii

- Can obtain a waiver from the work requirement as a noncontiguous state with unemployment rates above 1.5 times the national average.

One time only extension for implementing work requirements

- States will need to apply for this waiver consideration; Approval by the HHS Secretary
- Stipulates that states must start implementing work requirements no later than 12/31/28

Alaska SNAP exemptions for those who meet income requirements (details TBD)



30

H.R. 1 – SNAP Provisions

Cost Sharing for States - SNAP error rate penalties

- The higher a state's SNAP error rate, the more it must contribute:
 - <6% error rate = No cost share
 - 6–8% error rate = 5%
 - 8–10% error rate = 10%; +10% error rate = 15%
- Alaska's error rate is currently 24.66%—the highest in the nation
 - Down from 60.37% in FY23
 - FY24 Data: <https://www.fns.usda.gov/snap/qc/per>
- National payment error rate average for FY2024 = 10.93%

Reduces the Federal administrative cost share from 50 percent to 25 percent



31

H.R. 1 – Rural Health Fund

\$50 Billion Rural Health fund

- For rural hospitals, Community Health Centers, and other providers serving patients in *rural areas*
- Notes the importance of connecting patients in rural areas to hospital services
- CMS will have control of the program and disbursements to States
 - States' deadline to create a plan and apply – December 2025
- States have two years to spend each year's allocation
- CMS Administrator to facilitate the process
- CMS Guidance may be released today (07/25/25)



32

H.R. 1– Rural Health Fund

Distribution Methodology

- 50% will be disbursed equally across the country;
- Remaining 50% of funds based on:
 - Percentage of the State population in a rural census tract
 - Proportion of “rural health facilities” compared to nationwide
 - Situation of hospitals in the state
 - *Other factors the CMS Administrator deems appropriate*

Department of Health Request for Information (RFI)

- <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=220251>
- Closes August 18, 2025
- RFI will inform Alaska’s application to CMS and the required Rural Health Transformation Plan (RHTP)



33

Rural Health Fund – Department Priorities from RFI

The Department's overarching goal for the RHTP is to leverage federal funds to drive transformational improvements in the full continuum of health care across Alaska. Through strategic RHTP investments, the Department aims to position Alaskan communities to meet their current challenges and prepare for future health care needs, including considerations for an aging population. This includes:

- Ensuring a foundation of access to primary care and chronic condition management services in Alaskan communities.
- Strengthening delivery systems for behavioral health, complex care, and long-term services and supports.
- Elevating solutions that focus on prevention in hub communities and rural areas.
- Supporting regional coordination and community-based partnerships.
- Investing in sustainability beyond the lifetime of RHTP funding.

The RHTP is a powerful opportunity for Alaska to draw down federal funding for projects designed by Alaska communities to serve rural residents. The Department will prioritize projects that clearly articulate a vision for innovation and transformation, and which build in long-term sustainability plans after RHTP funds sunset in FY2032. The Department is also interested in partnerships with large organizations that represent various rural health care entities to support timely and effective distribution of RHTP funds.



34

Questions on your mind



the**foraker**group

35

What's next for you at Foraker in rapid response

- Public policy at all levels
- Updating the Response page
- **Give us a call – we can help you figure out what is next.**
- Office hours – half hour sessions- to help you make decisions
 - Closing your doors – saving mission
 - Fund development services
 - Financial scenario planning
 - Collaboration – merger support
 - HR/Staffing support and guidance

the**foraker**group

36

36

Stay connected with us



Find a Course

- 40+ Community Classes
- Advocacy in Action
- BIPOC Nonprofit Affinity Group
- Catalyst for Nonprofit Excellence
- CEO Connect
- Certificate in Nonprofit Management
- Executive Leadership Intensive
- Leadership Summit
- Lead Up!



Connect to Services

- Board Governance
- Fundraising
- Finance including payroll
- Fiscal Sponsorship –Sultana LLC
- From Bias to Belonging Suite
- Human Resources
- Interim Executive Directors
- Leadership Development
- Leadership Transition
- Marketing & Communication
- Nonprofit Legal Structure
- Pre-Development --an online tool
- Rasmuson Sabbatical Support
- Strategic and Annual Planning
- Succession Planning
- Website development



Speak Up

- Conduct research
- Monitor trends and develop positions
- Advocate for the sector on non-partisan/bipartisan sector-wide priorities
- Convene the sector to highlight issues
- Provide training and resources to help nonprofits advocate for their own issues

the foraker group

37

37

Signature Resources

ALASKA FUNDERS DIRECTORY

The Alaska Funders Directory is a curated list of more than 200 foundations, corporations, and other entities that have a history of supporting Alaska nonprofits and projects. It is the only site that focuses solely on funding opportunities in Alaska. The directory allows you to generate a list of funders that fit the interests of your nonprofit or project. Use the directory to save hours of research to find funders that align with your mission, geographic area, and funding needs. You can purchase a subscription at forakergroup.org/alaska-funders-directory.

ALASKA BOARD MATCH

Alaska Board Match is an online match tool created to help nonprofits establish more diverse, inclusive, and welcoming board rooms. This site also assists in pairing Alaskans ready to serve local nonprofits in need of the right board members at the right time. Visit AKboardmatch.org to learn more.

PRE-D TOOLKIT

Our Pre-Development Online Toolkit is designed to assist organizations considering a capital project. Whether it's constructing a new facility or renovating a current building – we know this can be a daunting task.

This toolkit is much more than a few instruction sheets and checklists. It brings together the experiences of many organizations that have gone through our Pre-D program. It offers guidance and tools to assist board and staff to educate themselves, explore options, and make informed decisions. You can find it on our website under Connect to Services.

NONPROFIT SUSTAINABILITY

Nonprofit sustainability is not just about money. It's a holistic approach to making good decisions for the success of your mission. At Foraker, we don't think of sustainability as a destination – either your organization is sustainable or unsustainable – we think of sustainability as a journey. And we've created a model to help you on that journey.

The Foraker Nonprofit Sustainability Model is comprised of four lenses that will guide you to see your organization more clearly and stay on course.

the foraker group

38

Thank you!

We're here for you. Reach out to us.

info@forakergroup.org

(907) 743-1200

www.forakergroup.org