

Advocacy Involvement by Homeless Service Providers in Chicago: Research Findings

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Why is advocacy important?

- Builds reputation as expert
- Builds legitimacy
- Deepens connections to important decision makers
- Strengthens interorganizational networks
- Completes policy feedback loop

Research on homeless service providers in Chicago

- In-depth interviews with over half the providers in the city
- August 2008- April 2009
- Some of the research questions:
 - How involved are organizations?
 - What are organizations advocating for?
 - Why do they choose certain tactics over others?
 - How is government funding affecting advocacy involvement?

Who is involved?

- 93% of homeless services providers in Chicago are involved in advocacy
- Depth of involvement is much lower
- Most is done entirely by the executive director
- Time and resource constraints are primary barrier
 - Knowledge of lobbying laws or advocacy strategies did not hold organizations back as much.

Does having more government funding change advocacy by nonprofits?

- Short answer: Yes, but not in the way most people thought
- Actually encourages advocacy involvement, but does change advocacy content
- Organizations that are more dependent on government funds tend to advocate more around funding than around other policy issues

What kinds of tactics do organizations engage in?

- Working with other organizations, through the Alliance & Supportive Housing Providers Association
- Clients involved through Chicago Coalition for the Homeless
- Direct communication with lawmakers
- Regulations around lobbying are not well understood!

Lobbying Guidelines for Public Charities

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Background

Can a 501(c)(3) organization lobby?

- Yes! 501(c)(3) are allowed to conduct and fund lobbying activities.
- Two alternate tests:
 - “Insubstantial Part” test
 - 501(h) lobbying election

NOTE - Private foundations are subject to additional lobbying restrictions not covered by these materials

Insubstantial Part Test

The general rule is that lobbying must be an “insubstantial part” of the organization’s activities.

- This subjective test can be difficult to use for planning purposes.
- Lobbying expenditures must be reported on the annual Form 990

501(h) Lobbying Election

The Section 501(h) lobbying election allows the organization to conduct and fund a certain amount of “direct lobbying” and “grassroots lobbying” each year.

501(h) Lobbying Election

- Consequences of 501(h) Election
 - Report lobbying expenditures on Form 990.
 - Track and distinguish between direct and grassroots lobbying
 - If the organization exceeds the allowed expenditure limits for a year, it will be subject to a 25% tax on the amount of the excess expenditures.
 - If the organization exceeds by 50% the aggregated annual limits over a four-year period, its tax-exempt status will be revoked.

501(h) Lobbying Election

What is “Direct Lobbying”?

Any attempt to influence any legislation through communication with:

- any member or employee of a legislative body, *or*
- any other governmental official or employee who may participate in the formulation of legislation, but only if the principal purpose of the communication is to influence legislation.

501(h) Lobbying Election

- “Direct Lobbying” Required Elements:
 - the communication refers to specific legislation, *and*
 - reflects a view on the legislation.
- NOTE - Lobbying regarding a referendum or ballot initiative generally is considered direct lobbying.

501(h) Lobbying Election

What is “Grass Roots Lobbying”?

Any attempt to influence any legislation through an attempt to affect the opinions of the general public or any segment thereof.

501(h) Lobbying Election

- “Grassroots Lobbying” Required Elements:
 - refer to specific legislation,
 - reflect a view on the legislation, *and*
 - encourage the recipient of the communication to take action with respect to such legislation (also called the “call to action” requirement).

501(h) Lobbying Election

- “Grassroots Lobbying” Notes:
 - If a 501(c)(3) organization makes a transfer to a grantee for lobbying activities, the amount of the transfer will be treated as grassroots lobbying by the organization, *unless* it demonstrates that the amounts transferred were for direct lobbying activities.
 - A special rule exists for mass media communications issued within two weeks before a vote on the subject legislation.

Lobbying Exceptions

- What is *not* “lobbying”?
 - Influencing non-legislative action (not lobbying because not attempting to influence *legislation*; e.g., litigation, executive orders, and administrative action).
 - Educational non-partisan analysis, study, or research
 - Examinations and discussions of broad social, economic, and similar problems
 - Technical advice or assistance (VERY limited exception)
 - Certain communications with members

Important Reminders

- A 501(c)(3) organization may **NEVER** conduct or fund political campaign activity
- Private foundations have specific restrictions against lobbying
- The terms of a grant may prohibit lobbying that is otherwise permissible.

Top 10 Things to Know About Lobbying

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Number One

- What is Lobbying?
 - Lobbying is a form of activity whereby citizens in a democratic society speak to their elected representatives and appointed officials.

Number Two

- Is It Legal?
 - Yes! The right to “petition government for a redress of grievances” is an essential right of democracy and guaranteed to citizens by the U.S. Constitution.

Number Three

- What are Special Interests?
 - Everything!

Number Four

- Legislative Process
 - Introduction
 - First Reading
 - Committee
 - Second Reading Amendments
 - Third Reading
 - Start Over Again in other House
 - Conference, signature or veto, law or override

Number Five

- What do Lobbyists Do?
 - Interview Client
 - Steer Legislative proposal through legislative process

Number Six

- Who is in Support?
 - Stakeholders
 - Advocates
 - Caucuses

Number Seven

- Who is Opposed?

Number Eight

- Who is a Friend?
 - Labor
 - Other special interests

Number Nine

- What Does My Coalition Look Like?
 - Did I compromise
 - Am I still happy

Number Ten

- Start Over Again!
 - What else do you need
 - What is your legislative agenda next year
 - “The price of liberty is constant vigilance”