

# Recovery &



# Reconciliation

Grantmakers of Kentucky 2021 Meeting  
August 3-4 | Louisville, KY

GRANTMAKERS  
OF Kentucky



*In Partnership with the SOUTHEASTERN COUNCIL OF FOUNDATIONS*

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## Washington Update

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Sandra Swirski

Partner, Urban Swirski & Associates



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## Overview

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- Political Landscape
- What to Expect from Congress This Year
- Accelerating Charitable Efforts (ACE) Act
- Q&A

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## Congressional Landscape

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Close margins and impending redistricting make bipartisan appeal critical

- Democrats hold slim margins in both chambers
  - Senate: 50-50 Senate, VP Harris able to break ties
  - House: 220 Ds – 211 Rs (4 vacancies)
- President's party usually loses seats in first midterm

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## Administration Landscape

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The President has several ambitious proposals he is trying to usher through before the midterms to limit Democratic turnover

- Big initiatives, like the American Families Plan
- Other topics top of mind for the administration:
  - Continued vaccine distribution and COVID response efforts
  - Getting the economy back on track, staving off inflation
  - Issue at the southern border, VP Harris on the job, presents a vulnerability for the midterms
  - Protecting voting rights
  - Rising crime levels nationwide

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## What to Expect

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- Challenges to donor privacy waning because of the SCOTUS decision
- Universal Charitable Deduction progress
- Legacy IRA Act
- More \$\$ for state and local governments/service providers

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## S. 1981 – ACE Act (King/Grassley)

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- Two new forms of DAFs
  - 15-year DAFs – deduction up front
  - 50-year DAFs – deduction at time of grant to “working charity”
- Exceptions for certain DAFs at community foundations

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## ACE Act Changes for Private Foundations

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- Can't meet 5% payout with:
  - Expenses of family members at a family foundation
  - Gifts to DAFs
- Repeals the PF excise tax if:
  - PF pays out more than 7% of assets in a year
  - New PF agrees to a 25-year life

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## Sector Reactions

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- Who is in favor?
  - Some state nonprofit associations and local charities like CA and MN, for now
- Who is opposed?
  - Some national infrastructure orgs (COF, TPR), sponsoring orgs, some national charities
- Anyone neutral?
  - Some national orgs (UPF, IS) convening groups to think through alternatives

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## Questions?

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