



Pennsylvania Association of
Nonprofit Organizations

High Level Federal Updates

August 2026, Week 3

Facilitator:

Anna Keilly, Senior Policy & Advocacy Manager

DHS to Charge \$103,265 Fee for H-1B Visas

- ❑ **What happened:** DHS has proposed a \$103,265 fee on employers filing new H-1B cap-subject petitions — due before the government even decides whether to approve the petition.
- ❑ **Why this version is different:** a similar \$100,000 fee (via presidential proclamation) was vacated by a federal court in June as an unconstitutional tax; that ruling is on appeal. This time DHS is using formal rulemaking and applying the fee far more broadly.
- ❑ **Exempt:** cap-exempt petitions from nonprofit research organizations, government research organizations, and colleges/universities. **Not exempt:** cap-subject petitions from other nonprofits — including small employers sponsoring specialty staff.
- ❑ **Related:** a \$100,000 fee on Optional Practical Training (OPT) is also under internal review, but not yet formally proposed — it would compound the effect on universities, hospitals, and research nonprofits.
- ❑ **Where things stand:** not yet published in the Federal Register; a 30-day comment period will follow. PANO will share the timeline once the rule is formally published.

Senate Finance Advances Nonprofit Due Process

- ❑ **What happened:** In late July, the Senate Finance Committee voted 26-1 to advance the bipartisan Taxpayer Assistance and Service (TAS) Act, a wide-ranging IRS modernization bill.
- ❑ **What the provision does:** A Lankford (R-OK) – Warnock (D-GA) provision would write into statute — not just regulation — a nonprofit's right to an administrative appeal when the IRS denies or moves to revoke tax-exempt status.
- ❑ **Why it matters:** given this year's intensified federal scrutiny of nonprofits, a guaranteed statutory appeal right is a meaningful backstop against a future IRS narrowing it through rulemaking alone.
- ❑ NCN and Independent Sector have jointly announced their support for the provision.
- ❑ **Where things stand:** passed committee with near-unanimous, bipartisan support (26-1); awaits a full Senate floor vote, then House action, before it could reach the President's desk.

Proposed IRS Rule on DEI & Racial Inequities

- ❑ **What happened:** OIRA has concluded review of a soon-to-be-released proposed IRS regulation (RIN 1545-BS05) that could reshape how 501(c)(3) charitable nonprofits address racial inequities. NCN expects publication within days or weeks.
- ❑ **Legal background:** the proposal may expand the "fundamental public policy" doctrine from *Bob Jones University v. United States*, historically applied narrowly to schools that exclude students by race.
- ❑ **Why it matters:** the IRS could try to use this doctrine to threaten tax-exempt status for nonprofits that engage in DEI practices — even though courts have continued to uphold many DEI practices as lawful.
- ❑ **Where things stand:** not yet published. Once it is, a formal public comment period will open. NCN is working with national civil rights organizations and will share resources — this is one to watch closely.

Sweeping Proposed Changes to the 2030 Census

- ❑ **What happened:** A leaked, pre-decisional draft rule shows the Commerce Department considering major changes to how the 2030 Census counts the population and what it asks.
 - ❑ Could exclude broad, undefined categories of noncitizens from the population count used for congressional apportionment — potentially sweeping in international students and H-1B holders, not just undocumented immigrants.
 - ❑ Could stop collecting race and ethnicity data altogether — ending a practice followed in some form since 1790.
- ❑ **Why it matters for PA nonprofits:** Census data underpins the funding formulas for housing, health, education, and human services, and shapes congressional and state legislative district lines for a full decade.
- ❑ **Where things stand:** no rule has been formally published and no comment period has opened. Awareness now, ahead of a comment period, is valuable — please share this with your boards and networks.

Save the Date: PANO's 2026 Collaborative Conference

- ❑ **Theme:** *Rooting Deeper, Rising Together*
- ❑ **When & Where:** September 24–25, 2026 — The Penn Stater Hotel & Conference Center, State College, PA
- ❑ **Registration:** now open through Sunday, September 20 at 11:59 p.m. — [register here](#).
- ❑ **Hotel:** discounted group rate of \$149/night + tax at [The Penn Stater](#) (group code PANO26A); the hotel's posted booking deadline (8/24) has passed, so check with PANO if you still need a room.
- ❑ **More info:** [collaborativeconference.org](#) — hosted in partnership with Villanova University's Department of Public Administration.
- ❑ **Interested in sponsoring or exhibiting?** Levels range from \$500 to \$5,000 — contact [Anne Gingerich](#) to discuss your role as a sponsor.

August Recess – Advocacy Checklist

Per the National Council of Nonprofits: members of Congress are home in their districts through early September — one of the most valuable advocacy windows of the year, before Congress finalizes annual spending bills.

Advocacy Checklist:

- ☐ Schedule site visits, meetings, and roundtables as early as possible.
- ☐ Review and elevate your federal funding requests.
- ☐ Update your impact data and program outcomes.
- ☐ Collect stories from community members, constituents, and local stakeholders.
- ☐ Prepare "leave-behind" advocacy materials (one-pagers, fact sheets).
- ☐ Host site visits or roundtables for direct constituent engagement.
- ☐ Ask Members of Congress to support your funding priorities.
- ☐ Follow up with staffers, and continue to build and maintain your relationships.

Full guidance: National Council of Nonprofits' [August Recess One-Pager and Checklist](#).



Pennsylvania Association of
Nonprofit Organizations