



# **Future-proof Your Organization: Strategies for Uncertain Times**

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# Panel



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# Leading Through Uncertainty

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# The Difference



## Reactive Organizations

- Wait
- Respond late
- Operate in silos

## Prepared Organizations

- Plan ahead
- Respond with clarity
- Align across functions



# The Current Environment

## Increased regulatory and enforcement activity

- Workforce uncertainty and shifting expectations
- Greater visibility and pressure on leadership

*\*\*Risk is interconnected: compliance, people, and culture*

# The L.E.A.D Framework



**L** = Legal Readiness

**E** = Engagement

**A** = Accountability

**D** = Defense ( Safety + Security)

# ICE Workplace Visits

U.S. Immigration and Customs Enforcement (ICE) can visit a workplace for many reasons, including:

- Issuing a Notice of Inspection to audit Forms I-9.
- Looking for or investigating a particular employee or group of employees.
- Conducting a worksite enforcement action, commonly known as a raid.

# Where Organizations Are Exposed

## Core expectations

- Centralized ownership of I-9 compliance
- Complete and accurate I-9 records
- Timely work authorization updates (when required)
- Secure and compliant electronic storage (if applicable)

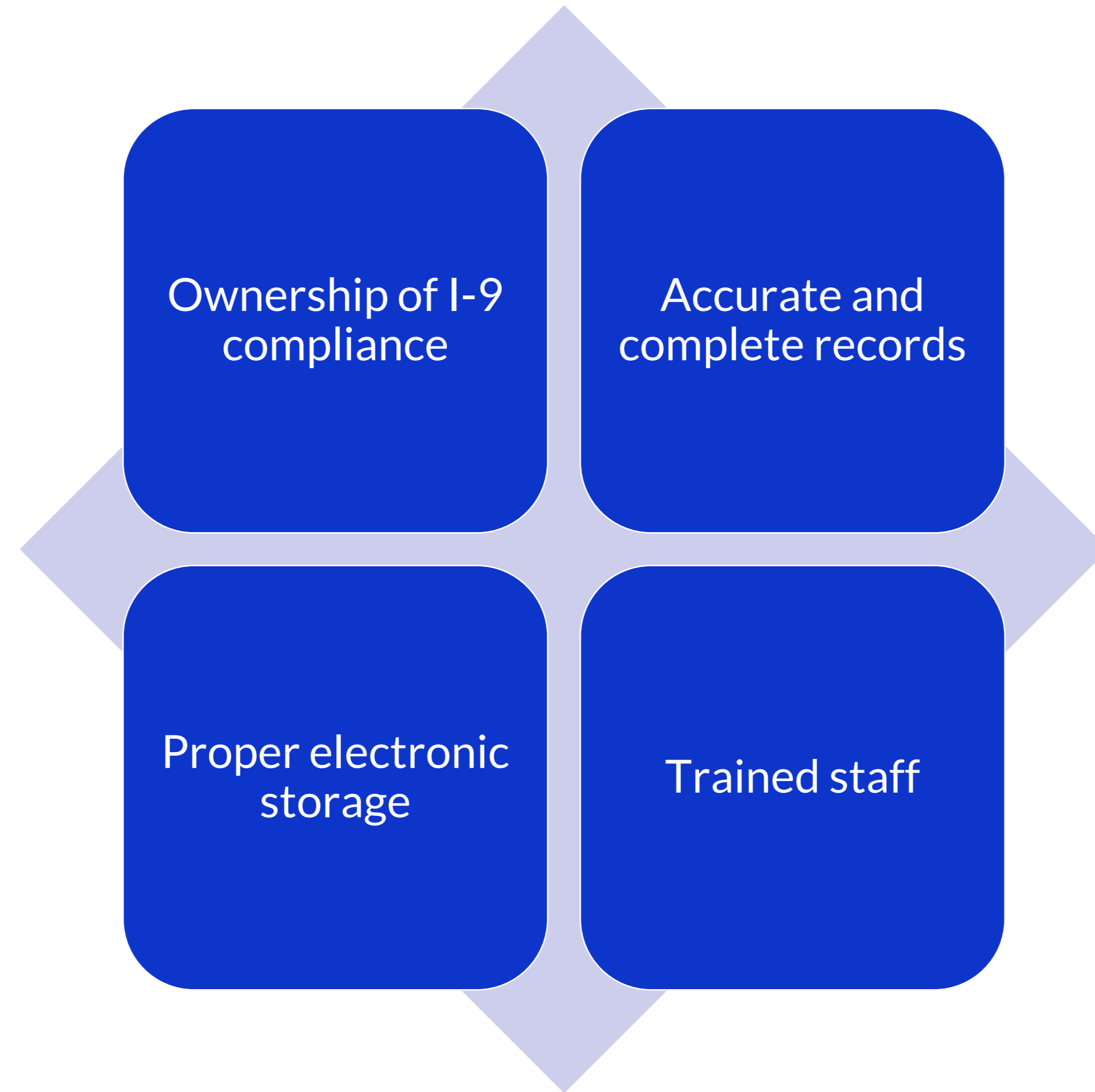
## Risk exposures

- Missing or incomplete forms
- Inconsistent processes
- Overconfidence in unverified internal audits

## Best practice

- Conduct structured reviews

# Legal Readiness Documentation



# Preparedness Planning

## A strong plan should define:

- Types of ICE visits and how to identify them
- Step-by-step response protocols
- Roles and responsibilities across leadership
- Level of cooperation and legal boundaries

## The importance of the first 10 minutes:

- Front desk response
- Immediate escalation
- Controlled communication
- Leadership involvement

# Proactive Steps to Manage Uncertainty

## Next, consider these actions:

- Identify a dedicated individual or team responsible for Form I-9 oversight to ensure consistency, accountability, and ongoing compliance management across the organization.
- Conduct a structured review of existing I-9 records and processes to understand potential gaps, inconsistencies, or exposure areas that may exist within your workforce.
- Review whether your current processes—including electronic systems, storage practices, and internal reviews—align with regulatory expectations and reduce risk rather than unintentionally increasing it.
- Develop a documented approach that outlines how your organization will respond to different types of ICE visits, ensuring decisions are not made in the moment without guidance.
- Ensure key personnel understand their roles, who to notify, and how to respond in the first moments of an ICE visit to maintain control and consistency.
- Provide targeted training so employees who may encounter ICE understand how to respond appropriately, when to escalate, and how to protect both the organization and its people.

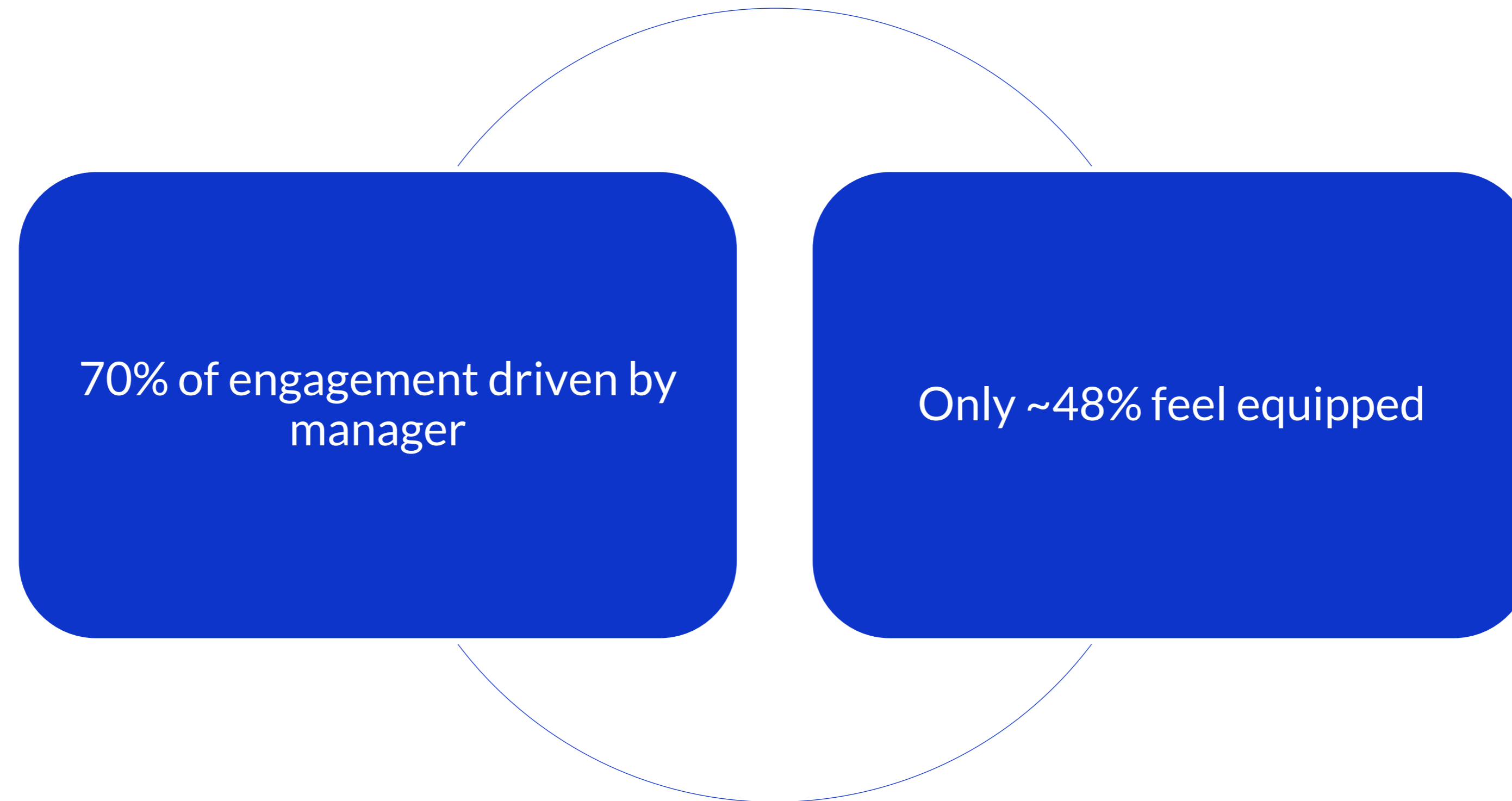
# Polling Question #1

How confident are you in your I-9 compliance?

- I have had forms properly reviewed and we have no errors
- We follow a process, but it leaves room for error
- I may need a review, I am not confident in our compliance
- I am not confident, I need a formal review



# The Manager Effect



# Identify Common Threats to Team Morale When Organizations Face Uncertainty

### Increased stress and anxiety

- Uncertainty causes worry about job security or role relevance
- Mental fatigue and reduced sense of personal control
- This stress, if chronic can lower motivation, emotional commitment and result in detachment

### Self-preservation focus

- Hesitation to take initiative or risks for fear of failing
- Doing the minimum instead of initiative or proactive
- Pride in work can decline

### Reduced team collaboration

- Team members can become competitive not cooperative
- Knowledge sharing can be stifled as information may be hoarded
- Less willingness to share in meetings
- Personal interactions may suffer as employees go to their corners

**Warning Signs of Declining Morale  
During Uncertainty**

- Increased absenteeism or disengagement
- Cynicism, sarcasm or rumor spreading
- Fewer questions
- Constant reassurance seeking
- Drop in discretionary effort

# Provide Practical Methods to Keep Employees Focused and Productive

Employees lose focus when they are under stress and feel disconnected. Keep them connected by showing care, concern and support including.

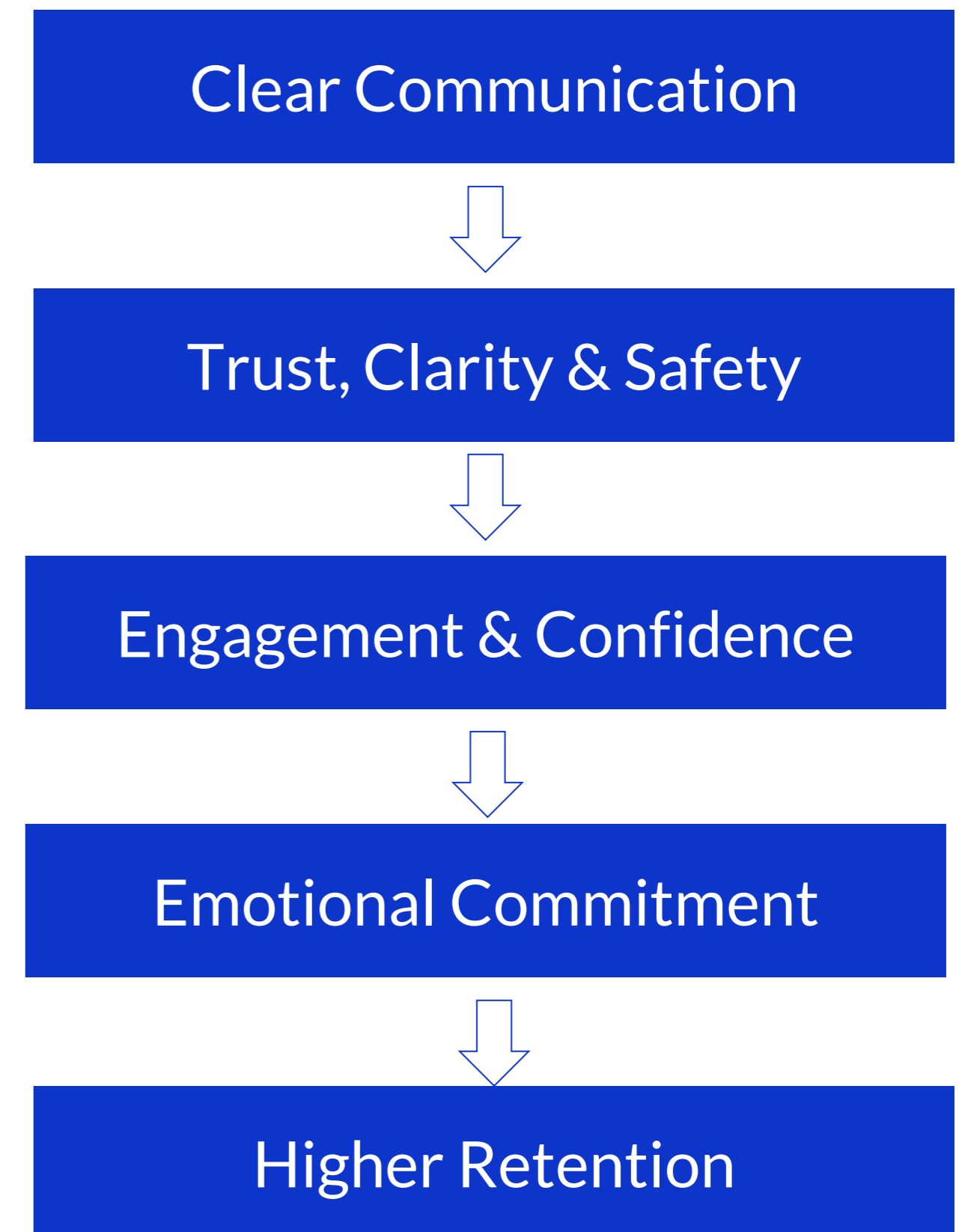
- Connecting daily and personally with each employee - has each employee been “seen” today
- Regularly clarifying work expectations – less than 50% of employees are clear (Gallup)
- Providing weekly positive feedback, appreciation for a job well done
- Meeting once a week to discuss progress, achievements, and challenges and to personally check-in
- Making visibility a priority to keep the “door open.” Make daily rounds greeting each employee

## Warning Signs of Lack of Focus

- Slower response times
- Increased distractions
- Ask for already shared information
- Resistance to future-oriented work
- Preference for “quick wins”
- Increased rumor-seeking
- More errors or overlooked details
- Small but frequent mistakes

# Highlight the Connection Between Clear Communication and High Retention Rates

- Transparent communication reduces uncertainty and employees feel safer and less likely to leave “just in case”
- Clear expectations enables success and creates engagement because employees who know to do their job well stay longer
- Transparency builds trust and signals respect and drives loyalty by increasing emotional commitment
- Clear and frequent recognition makes employees feel seen and less likely to leave
- Open and consistent communication helps employees feel safe and they stay where they feel safe



# What Leaders Must Do



Communicate consistently

Set clear expectations  
Transparent communication



Connect regularly

Visible leadership  
Consistency



Recognize intentionally

## Polling Question #2

When was your last Employee Engagement Survey?

- Within the last 12 months
- 2-3 years ago
- 4-6 years ago
- 6+ years ago or never





# Adapting to Legislative Changes

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# Impact of Minimum Wage Laws

Location	Minimum Wage/Hr	Tipped Wage	Notes
Michigan	\$12.48 (2025) → \$13.73 (2026) → \$15.00 (2027)	40% of state minimum	Applies to most employers; youth (16–17) at 85%
Ohio	\$10.45 (2024)	\$5.25/hr	Small employers (<\$385k revenue) may use federal rate
Florida	\$13.00 (2024) → \$14.00 (2025) → \$15.00 (2026)	\$9.00/hr (2024)	Annual increases until \$15, then CPI-indexed
Federal	\$7.25	\$2.13/hr	Applies only if state rate is lower

## Current Minimum Wage Rates

**Bottom line:** All three states have minimum wages higher than the federal rate, so state law controls for most employers.

# Direct Care Worker Wage Mandate

Michigan has **state-mandated Medicaid wage pass-throughs** for direct care workers (DCWs). These increases apply to eligible workers in Medicaid-funded facilities and programs such as nursing facilities, adult foster care, and home-help programs.

- Required Wage Add-Ons
  - +\$3.40/hr (clinical DCWs)
  - +\$0.85/hr (non-clinical DCWs)
  - +\$0.20/hr (Home Help agency caregivers)

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# **OBBB Not-for-Profit Impact**

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# OB3 Not-for-Profit Provisions

## Corporate Donors

### Donor Considerations:

- 1% of taxable income charitable contribution floor.
  - Donors may consider “bunching” donations into fewer year starting in 2026.
- Deduction still limited to 10% of taxable income.

### NFP Considerations

- Starting in 2026, educate corporate donors about the new 1% floor and promote bunching strategies.
- Update corporate giving materials to reflect new deduction rules and planning opportunities.

# OB3 Not-for-Profit Provisions

## Individual Donors

### Donor Considerations:

- 0.5% of adjusted gross income charitable contribution floor.
  - Donors may consider “bunching” donations into fewer years starting in 2026.
  - Review giving strategies annually to determine whether to itemize or take the standard deduction.
- Above-the-line deduction (cash only) – non-itemizing taxpayers (\$1,000 single, \$2,000 joint)
- Itemized deductions (including charitable gifts) reduced by 2/37 for income above the 37% bracket (limits benefit to 35%).

### NFP Considerations

- Starting in 2026, educate donors about the new floor and above-the-line deduction, and promote bunching strategies.
- Update solicitation materials to reflect new thresholds and strategies.

# OB3 Not-for-Profit Provisions

## University Endowment Excise Tax

Introduction of a new, tiered excise tax on net investment income for certain private colleges and universities.

The tax rate is determined by the value of an institution's endowment per full-time student.

- Applies if the institution:
  - Is a private, tax-exempt college or university
  - Has at least **3,000 tuition-paying students** during the preceding year (up from 500 student in the past).
  - At least 50% of students must be located in the United States.
  - Endowment assets exceed \$500,000 per student.
- Expanded Definition of investment income:
  - Interest, dividends, rents, royalties, net capital gains, income from security lending, federally subsidized royalty income, student loan interest.

Student Adj. Endowment	Excise Tax Rate
\$500,000 to \$750,000	1.40%
Over \$750,000 to \$2,000,000	4.00%
Over \$2,000,000	8.00%

# OB3 Not-for-Profit Provisions

## Executive Compensation

### Excise Tax:

- 21% tax on the amount of an employee's compensation exceeding \$1 million.
  - Applies to any employee (not just top 5) starting in 2026.
- Tax is paid by the organization, not the individual.
- Larger institutions are the most impacted.
  - Universities, hospitals, foundations, other large NFPs.
- Reported on Form 4720, Schedule N.

## Polling Question #3

How familiar is your organization with recent legislative changes and their potential impact on operations?

- We are fully aware and have already adapted our policies
- We are somewhat aware and are implementing some changes
- We are somewhat aware but have not yet implemented changes
- We are unaware of the changes and their implications



The background features a grayscale image of an open book with its pages fanned out. A semi-transparent blue rectangular overlay is positioned in the upper middle section of the image. The text 'Budgeting in Uncertain Times' is centered within this blue area in a white, bold, sans-serif font. The background also includes a bokeh effect of out-of-focus light spots, primarily in the upper half.

# Budgeting in Uncertain Times

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# The Budget: A Management Tool



## Internal Control

- Budgets establish clear spending limits, define accountability, and ensure public resources are used appropriately. They act as a safeguard against waste, fraud, and misallocation by setting expectations and enabling routine monitoring of financial activity.

## Identify Challenge Areas

- Regular budget reviews highlight gaps between planned and actual performance. These variances help managers spot emerging problems—such as rising costs, declining revenues, or operational inefficiencies—early enough to intervene effectively.

## Budget Amendments

- Budgets are living documents. Amendments allow agencies to respond to unexpected events, shifting priorities, or new mandates. This flexibility ensures that financial plans remain aligned with real-world conditions while maintaining transparency and oversight.

## Strategic Planning

- Budgets translate long-term goals into actionable resource allocations. They help leaders prioritize programs, evaluate trade-offs, and ensure that spending decisions support broader policy objectives and community outcomes.

# Proactive Steps to Manage Uncertainty

## Managing Funding Streams

1

Create a comprehensive list of your organization's revenue streams.

2

Determine which aspects of your operational budget or services are directly dependent on uncertain funding sources, or on organizations — such as government agencies, nonprofits, businesses, contractors, or public schools — that do. Whether a vendor, partner, or client, the financial stability of these entities will affect yours if there are delays, cuts, or cancellations of essential resources.

3

Assess the level of uncertainty for each funding source.

# Managing Uncertainty at the Federal and State Levels

## Mitigate the Effects of Federal and State Backlogs

Federal and State layoffs and hiring freezes may create staffing shortages in key departments that your organization relies on for coordination and oversight. This ripple effect may slow pertinent approvals, funding distributions, and communications. If your organization is experiencing reduced availability of federal and state agency staff, adjust project timelines to the best of your ability and communicate to pertinent stakeholders the potential for delayed processing times and stalled workflows.

### Wherever possible:

- **Build Relationships Locally:** Strengthen ties with local representatives and state-level agency counterparts to reduce dependence on federal channels.
- **Centralize Internal Processes:** Streamline your reporting and response strategies to minimize inefficiencies caused by reduced federal and state agency staffing.
- **Advocate for Clarity:** Request clear communication from federal and state departments and oversight agencies regarding delays to adjust expectations accordingly.

# Know Where You Stand..With Precision

**Are you running a Structural Deficit? Analyze your financial reports to determine whether:**

- Ongoing expenditure growth consistently exceeds ongoing revenue growth year over year
- One-time revenues (fund balance/net position draws, grants, ARPA remnants) are being used to balance the operating budget
- Costs are growing faster than your revenues can support

## **Build a Long-Term Budget Model**

A credible, long-range financial forecast that identifies fiscal imbalances before they become unmanageable is perhaps the most important indicator of whether your organization is on a sustainable fiscal path — yet it often takes a back seat to day-to-day governance.

# Proactive Steps to Manage Uncertainty

## Look for opportunity in the unexpected

Although many unknowns remain, and the level of uncertainty may feel overwhelming, history shows us that times of challenge and disruption often open doors for growth and innovation. Public sector entities positioned to adapt have a unique chance to shape the future.

## Broad Expense Management and Efficiency Opportunities to Explore

- **Data & Technology Improvements:** Invest in or optimize existing digital tools to help your organization streamline operational processes, streamline grant drawdowns, improve reporting compliance, and reduce bureaucracy.
- **Process Audits:** Assess workflow processes to identify areas for improvement.
- **Strengthen Community Partnerships:** Collaborate with local organizations, businesses, and stakeholders to find creative solutions to managing costs and funding and resource gaps.

# Polling Question #4

- What do you want to explore first?
- Data & technology improvements
  - Process audits
  - Strengthen community partnerships



# Engage Key Members of Your Organization

Managers, Department Heads - Encourages Operational Communication

Have there been changes in programs?

Have costs been higher than quoted?

Has revenue trended as planned?

Have staffing needs changed?

- Reports from management – managers should provide input and recommendations on solutions to the Finance Director/CFO on areas where the budget differs from trends and expectations.
- Reports to board – should be accompanied by explanations of significant challenges and budget variances.

# Move Forward with Confidence

Change presents challenges, but remaining informed, agile, and proactive will allow your organization to weather these uncertain times and emerge more resilient than before.



## Polling Question #5

**What was your favorite part of today's presentation?**

- Legislation Changes: ESTA, Minimum Wage Increase, DCW, and OBBB.
- Employee Engagement
- I-9 Compliance
- Budget Optimization





**Q&A**

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