



Date: April 14, 2020

To: Governor Tim Walz  
Lieutenant Governor Peggy Flanagan  
Senate Majority Leader Paul Gazelka  
Senate Minority Leader Susan Kent  
Speaker of the House Melissa Hortman  
House Majority Leader Ryan Winkler  
House Majority Leader Kurt Daudt

From: Susie Brown, Minnesota Council on Foundations  
Acooa Ellis, Greater Twin Cities United Way  
Doris Pagelkopf, United Ways of Minnesota  
Steve Houtz, Metropolitan Alliance of Connected Communities  
Jon Pratt, Minnesota Council of Nonprofits

CC: Senator Michelle Benson  
Management & Budget Commissioner Myron Frans  
Employment and Economic Development Commissioner Steve Grove  
Administration Commissioner Alice Roberts-Davis  
Human Services Commissioner Jodi Harpstead  
Health Commissioner Jan Malcolm  
Public Safety Commissioner John Harrington  
Corrections Commissioner Paul Schnell

**RE: Urgent Recommendations for Immediate Action Concerning Nonprofits**

We appreciate the opportunities we have had with many of you to discuss the concerns raised in our original joint letter dated March 19. At this time, we ask that you take immediate steps to stabilize Minnesota's nonprofit service providers, their clients in need, and their employees.

- 1. Provide additional flexibility in grant/contract deliverables and continue payments based on past utilization; extend current grants/contracts; extend reporting and RFP deadlines; allow grantees/contractors to deliver services in alternative ways; and account for additional time/resources.”**

Most state and local government work with low income and vulnerable populations is done through partnerships with community-based nonprofit organizations- critical human service provision is outsourced to nonprofits. Flexibility and continued payment will allow organizations and state agency employees to focus on getting services and resources

(including responding to needs related to COVID-19 and SAH order) to those who need them most. A number of state contract managers *are* providing this flexibility- but this is not happening across all state agencies that partner with community-based nonprofits. We ask that all state agencies be instructed to provide a high level of flexibility to keep critical services going and organizations running.

**2. Establish a funding mechanism to sustain nonprofits' continued ability to effectively respond to, and meet, critical community needs as a result of COVID-19.**

With current actions wisely focused on immediate needs, it is also clear this crisis will impact individuals and their families well after the state's peacetime emergency ends. We propose our state create a nonprofit recovery fund to help address many of these mid to longer term COVID-19 related needs, including job training and re-entry, stable housing and mental health support. With your partnership, we can work together to develop the structure to implement a nonprofit recovery fund that could be put into place after immediate emergency actions have been undertaken.

**3. We ask the State of Minnesota to protect self-insuring nonprofit employers by holding them harmless for the cost of all (100%) of the unemployment claims incurred because of COVID-19.**

If the federal government does not increase its 50% relief to 100%, we need the state to treat self-insuring nonprofits fairly by providing the other 50% relief. This will put these nonprofits on par with other employers (both other nonprofits and for-profit businesses), for whom Executive Order 20-05 provides full relief from increased unemployment insurance taxes.

**4. The State of Minnesota should take additional action to protect vulnerable Minnesotans through additional FHPAP funding.**

We appreciate actions taken to suspend evictions as an important first step to make sure people are able to stay in housing. But we know more needs to be done. With approximately 250,000 Minnesotans making at or below minimum wage, these individuals and their families are at high risk of becoming homeless, as they are most vulnerable to health and economic harms. As a result, we support a significant state appropriation for emergency COVID-19 housing supports through the Family Homeless Prevention and Assistance Program (FHPAP). This program provides direct assistance for rent, utilities and other expenses for households at or below 200% of federal poverty guidelines and who are at imminent risk of becoming homeless. Not only does this assistance help renters afford their housing, but it also helps to ensure housing providers get paid; both are important to maintain a healthy housing ecosystem and retain stable housing stock once we emerge from this crisis. The critical need for these emergency funds is reflected by the wide variety of supporting organizations, including the Homes For All coalition and the Minnesota Multi-Housing Association

Nonprofits provide critical services that support our state's health and well-being. During this pandemic crisis, continued investment, administrative flexibility, and inclusion of nonprofits in employer assistance are critical in maintaining this community infrastructure necessary to manage the COVID-19 response and recovery effort.

On behalf of more than 9,000 nonprofit employers in Minnesota, we ask that you prioritize the critical role of the nonprofit sector. We must be able respond quickly, maintain continuity of services, and meet the rapidly changing needs of communities around the state.

If you have questions, please contact:

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