



Pennsylvania's philanthropic and nonprofit community requests that immediate, additional measures be taken by state and local jurisdictions in response to COVID-19.

Dear Governor Wolf and State Leadership:

April 3, 2020

Nonprofit service providers are critical partners to the Commonwealth of Pennsylvania in delivery of essential programs and services to Pennsylvania's residents. Nonprofit organizations employ 16% of Pennsylvania's workforce (807,000 individuals) and are vital to our economy as well as our role in meeting critical human needs. We appreciate the swift action by both the Executive and Legislative branches to protect Pennsylvania's residents, with priority attention to those most vulnerable. Actions to prevent evictions, cease utility shut offs, and ensure food distribution sites have been critical during this coronavirus pandemic.

This letter provides immediate additional measures that the state and local jurisdictions can take, most occurring within current state appropriations and not requiring additional resources. These measures would have an enormous impact on the nonprofit sector's ability to weather this storm.

Nonprofits may have difficulty in fulfilling their deliverables on state grants and contracts due to the necessary public health response to this emergency and the impact it will have on all parts of the economy. Significant disruptions in state grants and contracts could trigger massive layoffs or even permanently close organizations currently providing critical medical and mental health services, childcare, shelter, food assistance, senior care, and many other essential services in our state.

Other revenue sources, such as donations from fundraising events and fees for service may be wiped out due to the coronavirus pandemic. The following recommendations will help ensure these critical safety net organizations can continue to serve Pennsylvanians and survive this human and economic crisis:

1. **Special attention and funding are needed for homeless individuals, victims of domestic violence and sexual assault, and those living in residential facilities.** Homeless individuals are not able to shelter in place, wash their hands, or take other recommended precautions to stay safe. Those in shelters and other residential facilities are not able to abide by the social distancing recommendations put forth by the Centers for Disease Control and the World Health Organization. These populations are also more likely to have underlying health conditions. A high volume of infection among these populations will seriously stress our health system. Emergency funding to agencies providing housing, healthcare, and other services are needed, as well as

creative responses to relieve existing shelters, residential facilities, and structured encampments that do not have enough distance between beds to keep the virus from spreading.

2. **Support nonprofit access to emergency response resources from the federal government.** Organizations such as PA 211, the charitable food network, homeless shelters and domestic violence shelters are providing services to our state's needy throughout the crisis. Governor Wolf should designate one key point of contact who would help nonprofits access emergency and disaster resources for any expenses that go above and beyond the normal cost of doing business, to be reimbursed from federal resources that have been designated for Pennsylvania's COVID-19 response. The need for this direct line of communication will extend beyond the immediate crisis and into the recovery phase, where nonprofits will continue to help people who have suffered income loss to access resources needed to return to pre-pandemic standard of living.
3. **Provide individual relief from loss of household essentials due to COVID-19 economic devastation.** The economic impacts of COVID-19 are expected to last for months, and may extend for years. Many people are working and earning more than poverty level wages, but still not enough to meet their basic needs (24% of PA's population, according to the United Way of Pennsylvania ALICE report), are currently watching a growing wave of financial debt due to layoffs, slow downs and reductions in force resulting from COVID-19. We are encouraged by short-term relief, such as the moratorium on evictions and foreclosures resulting from the closure of the courts, and the PUC's ban on utility shut-offs for the duration of the Governor's emergency declaration. But, many Pennsylvanians will need relief for much longer than this immediate public health crisis to weather the worst of the financial impact.

We urge the Governor and state agencies to take aggressive steps to require landlords, lenders, and utility companies to offer budget payment plans, forgiveness of penalties and late fees. We also urge the executive, legislative and judicial branches to protect those Pennsylvanians shouldering unplanned financial obligations from abruptly losing access to housing and basic needs. Pennsylvania can protect individuals and families from utility shut offs, evictions, and foreclosures at least six months beyond the point at which PA's unemployment rate returns to pre-pandemic levels.

4. **Maintain customary payments to nonprofits that have current grants and contracts.** If a nonprofit cannot fulfill its deliverables on a state contract or grant due to circumstances related to the COVID-19 pandemic, then we urge that state agencies be directed to allow billing to the contract based on customary deliverables (on the basis of average prior billings, or prior census of clients served) without penalty for inability to meet deliverables. Otherwise, forced layoffs of often hard-to hire professional staff and agency closures will seriously impact state services in the immediate and long-term future. We would consider, in certain instances, a stipulation that organizations receiving continued customary payments would endeavor to maintain staffing levels for the project being billed for so long as such payments continued.
5. **State agencies should be allowed to temporarily loosen grant and contract reporting, extend/delay application and renewal requirements,** following the lead of the federal Office of Management and Budget (OMB), for both federally and state funded agreements.
6. **Pay current invoices quickly.** Pay current invoices from nonprofits (and businesses) on an expedited basis. State agencies often hold valid invoices for weeks or months prior to payment. An executive order requiring immediate and expedited payment of all current invoices will have an immediate positive impact on nonprofit agencies' ability to make payroll, fulfill obligations, and stay in business.
7. **Ensure Unemployment Insurance holds nonprofits harmless.** With respect to other relief to the general business community, to the extent that there are temporary changes to unemployment insurance (UI) benefits, remember that nonprofits have the option of self-insuring and reimbursing the state for UI claims rather than paying SUTA based on experience rating. We would support efforts to hold harmless businesses and nonprofits for UI claims resulting from this pandemic by not charging temporary benefits to their experience rating. However, it would also be essential for any such policy to have parallel provisions ensuring that nonprofits that elect to self-insure and reimburse are also held harmless.

Pennsylvania should not impose any conditions related to the solvency fee. Pennsylvania should treat all employers equally regardless of status (nonprofit vs. for-profit) and regardless of their unemployment financing choices when granting the non-charge provision.

8. **Utilize Nonprofit-Appropriate Tax Relief.** Any direct assistance to employers through a corporate income tax (as nonprofits generally do not pay corporate income tax) or a loan program without a specific loan forgiveness clause will likely leave out nonprofit employers. Any future employer tax benefit should be available to nonprofit employers, preferably using a grant mechanism that puts cash assistance directly in the hands of nonprofit employers.
9. **Please direct local jurisdictions and intermediary organizations to apply the same principles of maintaining customary payments, prompt payment of invoices, and loosening the regulatory and contract requirements described above.**
10. **Provide tort liability protections for nonprofits involved in providing life-sustaining services during the COVID-19 crisis.**
11. **Provide training resources to support a safe return-to-work and re-opening of full services for nonprofits that have been engaged in service delivery within their physical locations during the COVID-19 crisis.**

Finally, we ask that a **single point of contact** be appointed for us to work with the State on following through on these relief measures.

Thank you for your leadership in Pennsylvania. As leaders of networks of nonprofit and philanthropic organizations, we are partners committed to helping Pennsylvanians sustain health and safety in the midst of this pandemic.

As a **first point of contact**, feel free to reach out to Anne Gingerich, Executive Director, Pennsylvania Association of Nonprofit Organizations at anne@pano.org or 717-839-6564 (direct).

SIGNING ORGANIZATIONS

Adams County Community Foundation
Armstrong County Community Foundation
Berks County Community Foundation
Brandywine Health Foundation
Bridge Builders Community Foundations, Inc.
Centre Foundation
Central Pennsylvania Community Foundation
Chester County Community Foundation
Community Action Association of Pennsylvania
The Community's Foundation
Community Foundation of Fayette County
Community Foundation of Greene County
Community Foundation of the Northern Alleghenies
Community Foundation of Warren County
Community Foundation of Western PA - Eastern OH
Community Foundation of Westmoreland County
Erie County Community Foundation
First Community Foundation Partnership of PA
Foundation for Delaware County
The Forbes Funds
Grantmakers of Western Pennsylvania

Greater Pittsburgh Nonprofit Partnership
Housing Alliance of Pennsylvania
Hunger-Free Pennsylvania
Lancaster County Community Foundation
Lancaster Osteopathic Health Foundation
Lehigh Valley Community Foundation
Pennsylvania Association of Nonprofit Organizations
Pennsylvania Coalition Against Rape
Pennsylvania Council of Children, Youth & Family Svcs
Pennsylvania Family Support Alliance
Pennsylvania State Alliance of YMCAs
Philanthropy Network of Greater Philadelphia
Phoenixville Community Health Foundation
The Pittsburgh Foundation
POISE Foundation
Rehabilitation and Community Providers Association
United Way of Lancaster County
United Way of Lawrence County
United Way of Pennsylvania
Women and Girls Foundation
York County Community Foundation