April 16, 2020

To our Congressional members and Senators:

On behalf of Michigan’s community of philanthropy, thank you for all you are doing to sustain our communities through the COVID-19 pandemic. The swift action Congress took to pass the Families First Coronavirus Act and the CARES Act and ensuring the inclusion of 501(c)(3)s in the SBA 7(a), EIDL and Industry Stabilization Fund loans will begin to help our communities and organizations provide sick and family leave, prevent layoffs and offset significant revenue lost from COVID-19. These are important initial support efforts but as the pandemic and economic consequences become more intense for the communities our sector serves, we know more significant, flexible and swift support is needed.

As you consider the next phase of COVID-19 response legislation we hope that you will consider the following clarifications and provisions in your deliberations:

Strengthen charitable giving incentives. The CARES Act expansion of the $300 charitable deduction cap for 2020 is a step in the right direction. Still, more is needed to fill the gaps for nonprofits as they see revenue declining. Lifting the $300/per person cap and enabling taxpayers making donations on and after March 13 and before July 16 to claim the deduction on 2019, 2020 and future taxes would go a long way in incentivizing charitable giving during this crisis and beyond.

Earmark emergency grant and loan programs for nonprofits of all sizes. The Paycheck Protection Program (PPP) offered through the Small Business Administration would provide an essential resource for nonprofits to maintain their workforce and stay financially viable through the pandemic. Nearly one in 10 workers are employed by a nonprofit, making our industry not only an essential needs provider but an economic engine. However, early reporting indicates that nonprofits are at a disadvantage and private sector entities of all sizes are utilizing their enhanced resources and financial capacity to capture a disproportionate share of those limited resources. Designating funding exclusively for nonprofits within the two principal loan programs, PPP and EIDL, in the CARES Act and increasing the current 500-employee cap would help ensure that organizations dedicated to addressing the pandemic are included in relief efforts and not pushed to the back of the line.

Bridging the digital divide. While the digital divide between urban and rural communities has narrowed, rural communities still maintain lower than average connectivity rates and income remains a factor in restricting broadband adoption and use. An estimated 12 million students live in homes lacking broadband access with a disproportionate number of these students being children of color, low-income, and those who live in rural areas. As work, resources and children’s education move online, the internet is increasingly becoming a lifeline to which all households need access.

Expanded broadband access will also allow the delivery of telehealth services. The CARES Act provided the USDA Rural Development with an additional $25 million for the Distance Learning and Telemedicine grant program, more will be needed to ensure that students do not fall behind and that technology can be used to meet health care demands.

**Additional funding for states and local governments.** The CARES Act included $150 billion in direct federal aid to states and populous cities and counties to meet current fiscal year costs connected to COVID-19. Michigan is expected to receive $3.8 billion in total, with a little over $3 billion going to the state and an estimated $792 million allotted for local governments with more than 500,000 people. States and localities are incurring new costs as they work to contain the virus while also projecting sharp declines in state and local sales tax revenue. The charitable sector cannot fill this gap. We need an effective partner in government at all levels to respond to the impacts of COVID-19. Additional flexible resources coupled with temporary suspension of federal program matching requirements allow states and local governments to respond to immediate budget shortfalls and emerging community needs.

**Provide funding for 2-1-1 to connect people with vital health and economic services.** Similar to 911, callers can dial 2-1-1 to speak with a trained community resource specialist to learn about public and nonprofit health and human services available in their community. Since the onset of the Coronavirus crisis, the average number of weekly calls to Michigan 2-1-1 has increased more than 700% with COVID-19 related calls representing between 20% and 30% of statewide call volume, well beyond the current capacity of the 2-1-1 system.

**Adequately fund healthy elections.** State and local election officials will need additional resources to comply with the recommendations for elections. Allocating additional funding to support absentee ballots, vote-from-home, early voting, poll working and clean polling places will help ensure that every eligible American can register and vote safely, securely, accessibly, and as conveniently as possible and that no one will be required to choose between their health and their right to vote.

**Appropriations for immediate relief and critical services.** Collectively, our members play a vital role in building economic, emotional, physical, developmental, and social well-being for Michiganders. Through the work of our members—funders, volunteers and nonprofits alike—we know that frontline workers which include those working at food banks, homeless shelters, senior care facilities and child care centers, are putting their own personal safety at risk every day to serve on the front lines of the pandemic response. We need to ensure that they have an adequate supply of personal protective equipment and receive additional hazard pay. Michigan’s ALICE population is being hit particularly hard. Under normal circumstances many of these low-wage workers find it difficult to make ends meet which is now further exacerbated by COVID-19. Additional supports like increased SNAP benefit levels, emergency rental assistance, eviction prevention, education and simplification for how families access benefits (including volunteer income tax assistance), can go a long way in providing economic relief now and as we deal with the lingering impact of COVID-19.

Again, thank you for your leadership in passing the CARES Act. It was an important first step in addressing the needs of the charitable sector and the communities they serve. Our community of philanthropy has a strong history of working with the public sector to improve the lives of Michiganders. We hope that we can continue to rely on your leadership and support and ask that the concerns and recommendations outlined above, several of which are included in Save the Organizations that Serve (SOS) America Act (H.R. 6408), are at the center of future relief packages being considered. As always, let us know if we can provide any additional information. We appreciate your partnership and active engagement.

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to make sure that the charitable sector can continue to fulfill its mission and that support reaches our communities during this unprecedented time.

Sincerely,

Kyle Caldwell  
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Council of Michigan Foundations

Donna Murray Brown  
President & CEO  
Michigan Nonprofit Association

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