

April 13, 2020

The Honorable Thomas Carper
U.S. Senate
Washington, D.C. 20510

The Honorable Christopher Coons
U.S. Senate
Washington, D.C. 20510

The Honorable Lisa Blunt-Rochester
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Carper, Senator Coons and Representative Blunt-Rochester:

Thank you for your bold leadership during this harrowing time. As we navigate through the next several months, we value our partnership with you on behalf of the nonprofit sector in Delaware to engage meaningfully on strategies to financially support individuals and organizations experiencing hardship caused by this crisis.

On behalf of the Delaware nonprofit community, we extend our gratitude that several key relief programs in the CARES Act allowed for nonprofit access. We see this as an acknowledgement of the role our nonprofit organizations play in the Delaware economy. As you work to build on the CARES Act, the charitable nonprofit sector requests a Nonprofit Track to ensure the nonprofit sector is supported in their service on the front lines of responding to the COVID-19 crisis.

In Delaware, over \$6.4 billion in revenue is generated by these community serving organizations. For community-based nonprofits (other than Hospitals and Universities) 49% of revenue is earned through programs and services which has been compromised with the COVID-19 pandemic.

We ask that you implement stimulus policies to support nonprofits in the following ways:

1. Expand Nonprofit Access to Credit by allocating funding exclusively for nonprofits within the two principal loan programs established in the CARES Act to ensure that the organizations dedicated to addressing immediate pandemic-related problems are included in relief efforts and not excluded or have limited access after for-profit entities. The following additional improvements are needed to expedite relief:

- **Paycheck Protection Program:** Provide incentives to private lenders to prioritize processing of applications of small nonprofits and expand the eligibility for nonprofits to participate in the Paycheck Protection Program by modifying the current 500-employee cap or by other means.
- **Mid-Size Business Loan Program:** Adjust CARES Act Section 4003(c)(3)(D) to implement a program to support nonprofit employers with between 500 and 10,000 employees, including loan forgiveness and other provisions

2. Expand Charitable Giving Incentives to encourage people to help their communities through charitable donations during these challenging times. As you know, Delawareans are committed to supporting one another and the following modifications will generate immediate results:

- **Allow Contributions to Apply to 2019 Tax Filings:** Encourage donations to the work of nonprofit organizations in our communities by enabling taxpayers making donations between March 13 (date of national emergency declaration) and before July 16 to be eligible for deductions on 2019 tax filings. This retroactive application should apply to itemized and above-the-line deductions during this critical period.
- **Improve the Above-the-Line Deduction** in CARES Act by increasing the \$300/person cap and extending the effective date of the incentive.

3. Treat Self-Funded Nonprofits Fairly by increasing the federal unemployment insurance reimbursement for self-funded nonprofits to 100% of costs. In Delaware, approximately 400 nonprofits and small businesses opt for reimbursable unemployment insurance. As currently written in Section 2103 of the CARES Act these Delaware based organizations will be responsible for staggering payments, at an overwhelming scale, to the Delaware Unemployment Trust Fund, while other employers will likely experience little or no additional costs resulting from mass COVID-19-related layoffs.

4. Increase Emergency Funding by appropriating funds for targeted state formula grants and programs that can provide a rapid infusion of cash to nonprofit organizations that are partnering with state and local governments to protect vulnerable families and frontline responders. Delaware nonprofits are on the frontlines of providing relief, support, and care now, while the pandemic rages, and going forward as our state will struggle to recover. Organizations need the resources now to provide vital services essential to individual and community wellbeing.

We thank you, once again, for your leadership in crafting and passing the CARES Act. It was a critical first step. Our Delaware nonprofits are rising to the challenges posed by the COVID-19 pandemic, we are grateful that our federal partners are prepared to rise with us as we navigate this global health crisis. We are relying on your continued collaboration with your peers across the country to ensure our nonprofits can continue to fulfill their commitment to the community.

Respectfully,