April 8, 2020

Dear Member of the Michigan Legislature:

Thank you for your bold leadership during this harrowing time. We know that you and your team are working around the clock to ensure the safety of Michigan’s residents. Please know that we stand in partnership as our members are working to respond to community needs during this crisis. Simultaneously, we are encouraging compliance with issued guidance to prevent the spread of Covid-19.

Nonprofits play a vital role in Michigan’s economy and in providing essential services. In response to Covid-19, Michigan’s nonprofits are stepping up without hesitation to serve their communities, to protect public health, and to support their own employees. Michigan foundations are providing flexibility and additional support to nonprofits in response to the unprecedented demand for their services. Nonprofits need immediate contracting, budget, staffing, and programming flexibility and timely resources from state and local governments to be able to continue this work through the months ahead.

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

- All Michigan government agencies should continue to pay on contracts with and grants to nonprofits if the nonprofits are unable to meet grant requirements due to temporary closures and suspension or reduction of services associated with Covid-19.
- An expedited or automatic approval process for budget modifications that does not increase the contract total should be instituted to allow nonprofits to move budget line items associated with existing contracts to new Covid-19-related priorities.
- New and immediate emergency funds (including the CARES Act, other federal Covid-19 support and state funding) should be available to address increased Covid-19-related costs to nonprofits to support the uninterrupted delivery of essential services that affect public health, such as stepped-up sanitation, take-out meals for the homeless, and pre-packaged food at food banks.
- Programs aimed at assisting small businesses, employers, tenants, utility-rate payers, etc., through the Covid-19 crisis should be equally available and beneficial to nonprofit entities.
- State tax credits for contributions to community foundation endowments, food banks, and homeless shelters should be implemented to encourage charitable giving to essential front-line and long-term-support nonprofits.
- State agencies should be allowed to waive certain certification procedures to let nonprofits provide Covid-19-related emergency and essential services as needed.
- Requirements that self-insured nonprofits repay state Unemployment Insurance trust funds should be temporarily waived for claims arising for Covid-19-related reasons.
Nonprofits affect the lives of every Michigander every day. They employed nearly 470,000 people in the third quarter of 2018, according to the Bureau of Labor Statistics. This number represents just over one in 10 of Michigan’s total nonfarm jobs and is larger than Michigan’s leisure and hospitality industry, according to the bureau.

As Michigan’s nonprofits step up, we count on the government to step up with us. Thank you for your leadership in this crisis and for your consideration of these recommendations.

If we can provide you with any additional information or help you communicate with the nonprofit community, please do not hesitate to contact the Michigan Nonprofit Association’s external affairs officer, Joan Gustafson, at jgustafson@mnaonline.org or 517-230-8110; Regina Bell, director of government relations and public policy at the Council of Michigan Foundations, at rbell@michiganfoundations.org or 313-566-2447; or Nancy Lindman, public policy director at the Michigan Association of United Ways at nancy.lindman@uwmich.org or 517-974-0329.

Sincerely,

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