

COMMUNITIES NEED HELP TO ADDRESS AND RECOVER FROM COVID-19.

NONPROFITS STAND READY TO ASSIST.

Kentucky communities need help, and the \$1.9 trillion American Rescue Plan Act (ARPA) offers a unique opportunity for local government to partner with nonprofit organizations to invest in our people, our communities, and our economy.

As communities consider investments of and priorities for ARPA funds, including challenges and opportunities - there is a strong chance that there are nonprofits standing ready to partner. In addition to bringing community expertise and resources to a partnership, nonprofits are employers and vital to every Kentucky community's economy.

While ARPA funds can be used for broadband and clean water infrastructure, **it can also be used for the "social infrastructure" vital to your community** - including increasing access to mental health services; affordable housing; food security; affordable and accessible childcare; arts and cultural enrichment opportunities; treatment for substance use disorders; educational support to address learning loss; a safe place to live, learn and work; job training; and more.

As an example, does your community want to focus some of its ARPA funding on workforce development? Some nonprofits engage in job training. And even more nonprofits are vital to ensuring a skilled workforce can get to work - providing child care, health care, mental health services, housing, and the other supports to ensure individuals gain employment and remain employed.

Nonprofit partnerships are local government's best choice for leveraging ARPA funds. In fact, **ARPA is intended to include support to nonprofits:**

"State, Local, Tribal, and territorial governments may use their allocations of the \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to provide 'assistance to households, small businesses, AND NONPROFITS, or to aid impacted industries.'"

-H.R. 1319, The American Rescue Plan Act, Sec.602(c)(1)(A), page 223

Eligible uses of ARPA funds (for nonprofits)* include:

- Responding to the impacts of COVID-19 pandemic, including assistance (grants) to nonprofits;
- Supporting public health responses, such as vaccination, medical care, testing, contact tracing, isolation and quarantine, capital investments such as physical plant improvements;
- Supporting recovery programs, such as mental health services, crisis intervention, substance use treatment, housing, etc.;
- Providing payroll and benefits for public health/safety workers, including retroactive pay.

*The list of eligible uses is not exhaustive, so it is recommended that projects or programs specifically mention "recovery" in the stated goal or impact.

www.kynonprofits.org/advocate/arpaky



WHY SHOULD OUR LOCAL GOVERNMENT PARTNER WITH NONPROFITS IN SPENDING ARPA FUNDS?

- **Nonprofits are experts on the needs of your community, especially vulnerable populations and those most impacted by the pandemic** – people of color and low income individuals and families. ARPA funds empower local decision makers to partner with nonprofits to solve specific challenges. Nonprofits should be engaged in the process of setting spending priorities and in designing fund distribution processes that ensure that funds reach the individuals and communities most in need.
- **Nonprofit partners can help local government ensure they meet the federal funding guidelines.** These partnerships may also ease local government's reporting and processing requirements. A neutral, third-party partner, such as a community foundation or other funder, may also be helpful in making funding decisions and distributing funds based on local government's identified priorities.
- **Nonprofits are vital to providing both relief and recovery to our communities.** Nonprofits are providing increased food assistance, mental health supports, childcare, and housing. They are training and placing people in jobs, educating children and adults, and caring for animals and our environment. Arts and cultural organizations are poised to revitalize our main streets. Nonprofits have responded to new needs, but are also feeling the strain of doing more with less.
- **Nonprofits are vital to our economic and social recovery** - providing childcare so parents can return to work, mental health services for grieving families, and bringing life back to main streets.
- **Nonprofits are the foundation of our communities.** Elected officials from all political perspectives turn to nonprofits to deliver essential, cost-effective results. And that is why nonprofits need government to invest in our work to address COVID and recovery.
- **Nonprofits are a vital part of the workforce in communities across Kentucky, and should be included in economic recovery programs targeting small businesses and job retention.** The vast majority of nonprofits are small businesses. Nonprofits represent 10% of the private workforce in our state – Kentucky's fourth largest employer.
- **Nonprofits offer good jobs.** Prior to the pandemic, nonprofits employed over 150,000 people and generated \$7.5 billion for Kentucky's economy.
- **Nonprofits are financially fragile, with many at risk of closure, due to the pandemic.** Over 90% of nonprofits surveyed in 2020 reported a significant reduction in revenue. While Paycheck Protection Program loans kept many nonprofits afloat, they need investments in their mission to continue serving your community.

Nonprofits are your community's experts, serve those disproportionately impacted by the pandemic, have proven their ability to scale up to meet urgent needs, and are critical to our economy. We urge local governments to leverage partnerships with nonprofits to effectively use ARPA funds to meet federal requirements, advance communities, meet the needs of the most vulnerable, and provide a bridge to sustainability for nonprofit employers. Kentucky Nonprofit Network, can help - funding guidelines and more are at the website below.