March 5, 2021

Honorable Members of the Kentucky General Assembly
700 Capitol Avenue
Frankfort, KY 40601

RE: Urgently Needed State COVID Relief and Charitable Nonprofits

Dear Kentucky Legislators:

When nonprofits are hurting, the Kentuckians we serve are hurting. The Kentucky General Assembly has a history of understanding the critical role and importance of the nonprofit sector – **the Commonwealth's fourth largest employer**. The undersigned organizations seek your support of urgently needed COVID-19 relief that will enable charitable nonprofits to continue contributing to the Commonwealth's relief and recovery. **The attached proposal outlines solutions that will help protect the essential services critical to meeting the needs of Kentuckians, protect jobs, and advance Kentucky - specifically, we urge the General Assembly to include $150 million in relief funds for nonprofit organizations in the state budget.**

Charitable nonprofits are the backbone of our communities. **We employ more Kentuckians than the manufacturing, retail, and accommodation/food service industries** – and are suffering as much or more, with the added risk of the loss of our ability to provide services that impact the health, safety, vitality, and quality of life in communities across the Commonwealth.

There is no one-size-fits-all way to quantify the pandemic's impact on nonprofits. Some organizations have experienced significant revenue losses and been forced to lay off employees; some have been "hibernating" and look to provide services again very soon; and others have been forced to shut their doors. Others have experienced significant increases in the demand for services and as a result, have faced significant increases in their expenses. Regardless of these differences, one thing is certain – **Kentucky will not fully recover and thrive beyond COVID-19 without a vibrant nonprofit sector.**

Federal relief programs have been a lifeline for some, however many organizations did not receive federal relief and even if they were able to secure relief funds, those funds are exhausted. Year-end legislation and the relief legislation expected soon are not enough to ensure our most vulnerable neighbors will continue to receive services. **Relief funds in Kentucky's budget will help ensure that the over 154,000 Kentuckians employed by nonprofits pre-pandemic can remain in or return to the workforce.**

Charitable nonprofits have risen to meet this crisis, stretching beyond reasonable measures to advance our missions despite unimaginable obstacles. And we face incredible challenges in 2021 and beyond. **The undersigned nonprofits urge the General Assembly to protect services, protect jobs, and invest in advancing Kentucky by including $150 million in relief funds for Kentucky's nonprofits in the state budget, as is outlined in the attached proposal.** Relief is essential if nonprofits are to continue being the force for good that Kentuckians need today and will rely on in the days ahead.

Sincerely,

Kentucky Nonprofit Network

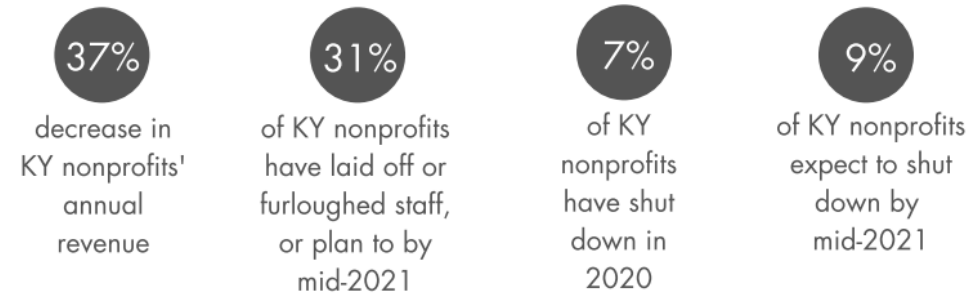
Americana Community Center, Inc., Louisville
Amvets Post 130, Bowling Green
Appalachian Hospice Care, Inc., Pikeville
Arts Connect, Lexington
Arts for All Kentucky, Bowling Green
Association of Independent Kentucky Colleges and Universities, Frankfort
Barren County Family YMCA, Inc., Glasgow
Berea Arts Council, Berea
Bernheim Arboretum and Research Forest, Clermont
Big Brothers Big Sisters of the Bluegrass, Lexington
Bluegrass Youth Ballet, Lexington
Boys & Girls Clubs of Kentuckiana, Louisville
BRASS, Inc., Bowling Green
Buckhorn Children and Family Services, Buckhorn
Carnegie Center for Literacy and Learning, Lexington
CASA Program for Bracken, Fleming and Mason Counties, Maysville
Center for Accessible Living, Louisville
Center for Nonprofit Excellence, Louisville
Central Music Academy, Lexington
Challenger Learning Center, Hazard
Children's Alliance, Frankfort
Christian Appalachian Project, Paintsville
CivicLex, Lexington
Community Education of Bowling Green-Warren County, Bowling Green
Community Foundation of West Kentucky, Paducah
Covington Business Council, Covington
Cumberland Mountain Arts & Crafts Council, Inc., Jenkins
Dancing Well: The Solider Project, Louisville
Eastern Avenue Sober Living Inc., Lexington
Emergency Shelter of Northern Kentucky, Inc., Covington
Episcopal Church of the Resurrection, Nicholasville
Explorium of Lexington
Family & Children's Place, Louisville
FEAT (Families for Effective Autism Treatment) of Louisville
Feeding Kentucky Inc., Frankfort
Friends of Dugas Community Park, Scottsville
Friends of the Bell County Animal Shelter, Pineville
Foundation for a Healthy Kentucky, Louisville
Fund for the Arts, Louisville
Gateway Regional Arts Center, Mount Sterling
Girl Scouts of Kentucky's Wilderness Road, Lexington
Girls Inc. of Owensboro Daviess County, Owensboro
Good Shepherd Day School, Lexington
Growing Together Preschool, Lexington
Healing Reins of Kentucky, Inc., Henderson
Henry Clay Memorial Foundation, Lexington
Historic RailPark & Train Museum, Bowling Green
Homeless and Housing Coalition of Kentucky, Frankfort
Hosparus Health, Louisville
House of Ruth, Louisville
Human Being Society, Lexington
Institute 193, Lexington
International Book Project, Inc., Lexington
Jewish Family & Career Services, Louisville
Kentuckians for the Arts, Lexington
Kentucky Alliance of Boys and Girls Clubs, Frankfort
Kentucky Alliance of YMCAs, Lexington
Kentucky Association for Academic Competition, Frankfort
Kentucky Association of Sexual Assault Programs, Frankfort
Kentucky Equal Justice Center, Lexington
Kentucky Habitat for Humanity, Louisville
Kentucky Harm Reduction Coalition, Louisville
Kentucky Health Resources Alliance, Frankfort
Kentucky Railway Museum, New Haven
Kentucky Shakespeare, Louisville
Kentucky Symphony Orchestra, Louisville
Kentucky United Methodist Homes for Children, Nicholasville
Kentucky YMCA Youth Association, Frankfort
Kids Cancer Alliance, Louisville
Ky. Native American Heritage Museum, Inc., Corbin
Learning Grove, Covington
LexArts, Inc., Lexington

Lexington Art League, Lexington
Lexington Ballet, Lexington
Lexington Children's Theatre, Lexington
Lexington Habitat for Humanity, Lexington
Lexington Philharmonic, Lexington
Life Learning Center, Inc., Covington
Lighthouse Recovery Services, Inc., Owensboro
Louisville Classical Academy, Louisville
Louisville Family Justice Advocates, Louisville
Louisville Parks Foundation, Louisville
Louisville Youth Choir, Louisville
Making A Difference Now (MADN), Lexington
Market House Theatre, Paducah
Mary Todd Lincoln House, Lexington
Maryhurst, Louisville
Matthew 25 AIDS Services, Henderson
Mentoring Plus, Newport
Mentors & Meals, Versailles
Metro United Way, Louisville
Mission Frankfort Clinic, Frankfort
Muhlenberg County Opportunity Center, Greenville
Murray-Calloway County Community Theatre Arts, Murray
Murray Art Guild, Murray
My Nose Turns Red Youth Circus, Covington
New Beginnings Center for Children and Families, Hazard
New Directions, Louisville
New Opportunity School for Women, Berea
Nursing Home Ombudsman Agency of the Bluegrass, Lexington
On The Move Art Studio, Lexington
Orphan Care Alliance, Louisville
Outreach to the Needy Ministries, Scottsville
Owensboro Family YMCA, Owensboro
Pandora Productions, Louisville
Partners In Education, Winchester
Pennyroyal Arts Council, Hopkinsville
Prevent Child Abuse Kentucky, Lexington
Pride Community Services Organization, Lexington
Red Bird Mission, Inc., Beverly
Retired Racehorse Project, Versailles
River City Housing, Inc., Louisville
Rockcastle Arts Association, Mount Vernon
Ronald McDonald House Charities of Kentuckiana, Louisville
Ronald McDonald House Charities of The Bluegrass, Lexington
Save the Grand Theatre, Frankfort
Seedleaf, Lexington
Seven Counties Services/Brooklawn, Louisville
SOS International, Louisville
Special Olympics Kentucky, Frankfort
Squallis Puppeteers, Louisville
St. Joseph Peace Mission for Children Inc., Owensboro
The Appalachian Center for the Arts, Pikeville
The Cooperative Center for Study Abroad, Bowling Green
The Sunshine Center, Frankfort
Troublesome Creek Stringed Instrument Co., Hindman
Twisted Pink, Louisville
United Way of Northeast Kentucky, Ashland
VFW Post 1298, Bowling Green
Visually Impaired Preschool Services (VIPS), Louisville
Witnessing History Education Foundation, Inc., Lexington
Woodford County Theatrical Arts Association, Versailles

KENTUCKY NONPROFIT NETWORK

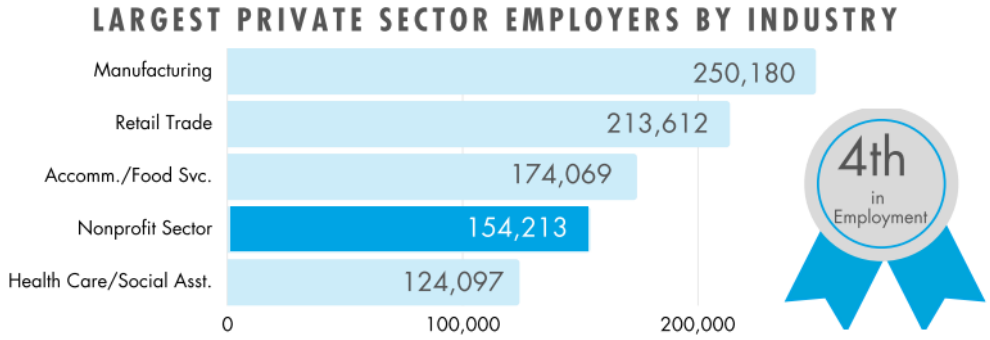
When Nonprofits Suffer, Kentuckians Suffer

Immediate Issues Facing Kentucky's Nonprofit Sector[1]:



- $201 Million: Lost Revenue
- $14 Million: Increased Expenses
- 39%: Have Exhausted or with Less than 3 Months of Cash Reserves

Nonprofits Are Vital to Kentucky's Pandemic Recovery and Our Economic Recovery



#MORETHANCHARITY



[1] Snapshot of the sector from 265 respondents statewide as of 12/31/20.

Urgently Needed Relief for Kentucky's Nonprofits

Protect Services ◆ Protect Jobs ◆ Advance Kentucky

Relief Funds

⇒ Provide a $150 million relief fund available to all 501 (c)3 charitable nonprofits operating in Kentucky.

⇒ All relief from this program is capped at $50,000 per organization.

⇒ Any 501 (c)3 nonprofit is eligible to receive $1000/employee (FT and PT). Eligible nonprofits serving those most impacted by the pandemic (those identified in HB 191's $20 million pool) would be eligible to receive $2000/employee. The grant is determined by the number of employees on payroll at the time of application and again, is capped at $50,000.

⇒ Any organization with fewer than 50 employees would be eligible for funding up to the $50,000 cap if they can demonstrate their largest earned revenue loss or increase in expenses in one quarter (comparing 2019 to 2020).

⇒ Eligibility will be open first to organizations who have not received federal relief, excluding Paycheck Protection Program and Economic Injury Disaster Loans. After a two-week application period, eligibility will be open to any nonprofit.

⇒ Administering funds: Direct relief is needed in the hands of nonprofits as soon as possible. Given the increased demand for services and/or decreased staffing, nonprofits do not have the capacity for lengthy or complex application processes.

Unemployment Insurance

⇒ Include relief specifically for reimbursing, self-insured nonprofit employers in any funds used to replenish the state unemployment insurance trust fund.

Charitable Giving Tax Incentives

⇒ Implement an above-the-line charitable giving tax incentive to stimulate private philanthropic investments in nonprofits' longer-term relief and recovery.

Kentucky Nonprofit Network, the state association of nonprofits, stands ready to help communicate relief opportunities to Kentucky nonprofits. We request that the legislation include language indicating that the Public Protection Cabinet shall consult KNN when deciding how to effectively administer and implement relief programs for 501 (c)3 charitable nonprofits.