Date: March 22, 2021

To: Governor Tim Walz  
   Lieutenant Governor Peggy Flanagan  
   Senate Majority Leader Paul Gazelka  
   Senate Minority Leader Susan Kent  
   Speaker of the House Melissa Hortman  
   House Majority Leader Ryan Winkler  
   House Minority Leader Kurt Daudt

From: Susie Brown, Minnesota Council on Foundations  
       Acooa Ellis, Greater Twin Cities United Way  
       Doris Pagelkopf, United Ways of Minnesota  
       Steve Houtz, Metropolitan Alliance of Connected Communities  
       Jon Pratt, Minnesota Council of Nonprofits

CC: Senator Michelle Benson  
    Management & Budget Commissioner Jim Schowalter  
    Employment and Economic Development Commissioner Steve Grove  
    Administration Commissioner Alice Roberts-Davis  
    Human Services Commissioner Jodi Harpstead  
    Health Commissioner Jan Malcolm  
    Public Safety Commissioner John Harrington  
    Corrections Commissioner Paul Schnell

RE: Urgent Recommendation to Establish a COVID-19 Nonprofit Resiliency & Recovery Fund

Thank you for your leadership this legislative session and over the past year in response to COVID-19. We are writing on behalf of more than 9,000 Minnesota nonprofit employers asking for immediate action to create a nonprofit resiliency and recovery fund, which would provide critical investment in the nonprofit organizations delivering essential services to Minnesotans across the state.

Nonprofits are well-positioned to effectively identify and address local needs and priorities – especially in response to the pandemic and its challenges. The sector’s deep experience and commitment to the well-being of every one of our community members in all phases of their life uniquely positions us to help our community navigate this crisis and the long-term rebuilding process that will follow. Representing 13% of Minnesota’s workforce, nonprofits play a key role in Minnesota’s infrastructure, engaging directly with residents and connecting them to state resources and programs.

This community infrastructure is critical. These organizations strengthen community wellness and economic vitality for people across the state. However, after a year of converging crises, these organizations have played an essential role that has been critical in maintaining community
infrastructure necessary to manage an effective COVID-19 response while also building toward long-term recovery.

Increased demand for services and the resulting costs of operating during a pandemic have outpaced revenues for nonprofits. According to the Minnesota Council of Nonprofits’ State of Nonprofits report, 72% of organizations surveyed reported having less than six months of available cash reserves, and 40% reported no operating reserve. This has forced many nonprofits to reduce their budgets, programming and hours. At the same time, nearly 40% of the state’s nonprofit workers filed for unemployment insurance due to reduced hours, temporary furlough or job loss.

Funding shortfalls and a diminished workforce are making it difficult for nonprofits to serve our communities to the full extent needed. This includes their capacity to serve Black, Indigenous and People of Color communities who have been disproportionately impacted by COVID-19, further widening racial disparities and systemic inequities.

We know that the increased demand for nonprofit services will continue well beyond 2021, and philanthropy and private donations alone cannot sustain our organizations. By leveraging federal emergency relief funds to support Minnesota’s nonprofit sector we can maintain the ability to address current needs and create jobs – both critical to improving recovery outcomes for communities across the state.

On behalf of Minnesota’s nonprofits, we ask for your support for and swift action in favor of a nonprofit resiliency and recovery fund.

If you have questions, please contact:
Marie Ellis, MCN, at 612-518-0612, or mellis@minnesotanonprofits.org, or
Kristen Rosenberger, GTCUW, at 612-340-7409, or kristen.rosenberger@gtcuw.org

AchieveMpls
Alexandra House, Inc.
Alexandria Area Community Foundation
Amherst H. Wilder Foundation
Appetite For Change
Asian American Organizing Project
Avenues for Youth
Banyan Community
Bicycle Alliance of Minnesota
Breaking Free
Caponi Art Park
Catholic Charities of St. Paul and Minneapolis
Center For Economic Inclusion

Central Minnesota Community Empowerment Organization
Central Minnesota Community Foundation
Central MN Re-Entry Project
Centro Tyrone Guzman Change Inc.
Chicago Avenue Fire Arts Center
Children's Health Ministries
Christdala Preservation Association
Community Action Center of Northfield
CommunityGiving & Partner Foundations
Cornerstone Advocacy Service
Crisis Line and Referral Service
Crow River Trail Guards
Division of Indian Work
Duluth Community School Collaborative
Edenbrook
Emerge Community Development
Emma Norton Services
Engage Winona
Family Enhancement Center
Family Pathways Hunger Relief
Family Service Rochester
Family Values For Life
Farmamerica-MN Agricultural Interpretive Center
Frank Theatre
Fraser
GiveMN
Global Health Services Incorporation
Goodwill-Easter Seals Minnesota
GRACE House of Itasca County
Grand Marais Art Colony
Greater Minneapolis Crisis Nursery
Guild
Habitat for Humanity Winona-Fillmore Counties
Hamm Memorial Psychiatric Clinic
Headwaters Foundation for Justice
Headway Emotional Health Services
Her Voice Productions
Hidden Resources for People of Color
Highpoint Center for Printmaking
Hired
Hispanic Outreach of Goodhue County
Home and Community Options, Inc.
HOPE 4 Youth
ICA Food Shelf
Interact Center for the Visual and Performing Arts
Interfaith Outreach and Community Partners
Irreducible Grace Foundation
Jewish Family and Children's Service of Minneapolis
Keystone Community Services
LDA Minnesota
LegalCORPS
Loaves & Fishes MN
Mankato Youth Place
Merrick Community Services
Midwest Conservation Center
Minneapolis High Rise Representative Council (MHRC)
Minnesota Alliance of Boys & Girls Clubs
Minnesota Alliance of YMCA's
Minnesota Alliance With Youth
Minnesota Children's Museum
Minnesota Coalition Against Sexual Assault
Minnesota Guitar Society
Minnesota Ovarian Cancer Alliance
Minnesota, Quilter's, Inc.
MN Urban Debate League, Program of Augsburg University
NEW LIFE POSSIBILITIES, LLC
North Shore Health Care Foundation
Northwest Contemporary Services, Inc.
Northside Economic Opportunity Network
Northwest Minnesota Foundation
Open Access Connections
Open Cities Health Center
Open Your Heart to the Hungry and Homeless
Our Justice
Pawpositive Perspectives Assistance Dogs (PawPADs)
PHASE-Industries
Phyllis Wheatley Community Center
Pillsbury United Communities
Ragamala Dance Company
River Valley Riders
Saint Paul & Minnesota Foundation
Science Museum of Minnesota
SEWA-AIFW
SMITH co LLC
Someplace Safe
South Sudanese community of Minnesota
Southwest Initiative Foundation
Springboard for the Arts
St Stephens Human Services and DBA House of Charity
Star Legacy Foundation
Telling Queer History
The Center for Victims of Torture