“Too many people are counting on us.” New Jersey non-profits call on state legislature, congressional delegation to act swiftly on additional COVID-19 relief

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MERCERVILLE, NJ – New Jersey non-profit leaders have called on New Jersey’s congressional delegation and state legislature to act swiftly to pass additional COVID-19 relief packages for New Yorkers and the non-profit organizations that they are relying on for help through the pandemic and beyond. The virtual press conference was hosted September 30 by the Center for Non-Profits and the Council of New Jersey Grantmakers, with additional speakers from The Father Center, ArtPride New Jersey, and the Latin American Legal Defense and Education Fund.

Non-profit leaders discussed the urgent need for additional federal and state relief to address food and housing insecurity, health care, childcare, the arts, education and more, noting that New Yorkers are suffering, and non-profits’ ability to help meet their basic needs is in jeopardy if action isn’t taken soon.

A common theme, which echoes non-profit community sign-on letters sent to federal and New Jersey lawmakers over the summer, was that the aid that has been provided so far has been a lifeline, but more is desperately needed.

- Linda Czipo, president & CEO of the Center for Non-Profits, noted that in disasters and times of economic downturn, “it’s the non-profit community that gets hit first, and it’s the non-profit community that recovers last. We can’t afford to let that happen. Too many people are counting on us.”
- Describing the efforts of philanthropic organizations to respond to the crisis, Maria Vizcarrondo, president and CEO of the Council of New Jersey Grantmakers, stated, “For all the good work that philanthropy accomplishes in New Jersey, it can never replace government funding.” She stressed that the pandemic “is causing unprecedented human and economic devastation and uncovering a level of systemic racism that demands our attention,” and called on federal and state government to ensure that non-profits can continue to serve people fighting to stay afloat during the crisis.
- Karen Andrade-Mims, executive director of The Father Center, a 150-year-old organization helping fathers build their ability to achieve self-sufficiency, noted that several funders have curtailed or eliminated funding due to the pandemic, including Work First New Jersey job training funding that is now on hold, affecting the 225 men this program serves annually. She said, “Coronavirus relief programs are vital to the ongoing provision of our necessary services and programs.”
- Ann Marie Miller, director of advocacy and public policy for ArtPride New Jersey, which advocates for the arts, noted that before the pandemic, the arts were a $662 million industry annually in the state. The arts community has played a vital role in healing and public health during the crisis. But due to closures, performance and event cancellations, staff reductions and more, the arts have lost an estimated $60 million during a six-month period.
- Lorraine Goodman, interim executive director of the Latin American Legal Defense and Education Fund, pointed out that immigrants, and the organizations that serve them, face particular challenges because the jobs that many low-income immigrants hold – in restaurants, cleaning homes, or providing child care – don’t provide health insurance and have largely disappeared due to the pandemic. She added...
that immigrants pay local and federal taxes but are excluded from many of the government’s COVID-19 programs such as the CARES Act, and many are facing eviction, in spite of a state moratorium, because landlords know that immigrants are unlikely to go to the authorities. She called on government to provide more funding, but to also fund safe, accessible internet hot spots in inner city communities to help address technological needs; and for more hospitals and others to accept municipal ID cards from immigrants so that they can access needed medical care.

Speakers emphasized that the aid provided so far, such as the federal CARES Act, Paycheck Protection Program and other grant and loan programs have been vital lifelines for non-profits over the past several months, but that money is running out with no end to the crisis in sight, more relief is needed, and eligibility criteria need to be expanded.

Among the requests made by non-profit leaders:

- **Additional funding, including additional federal aid to state and local governments, and additional federal and state funding** to help charities meet increased demands, retain employees, address rising expenses, purchase desperately needed PPE and disinfecting supplies.

- **More low-cost and forgivable loans**, especially for mid-size and larger non-profits that have been ineligible for the Paycheck Protection Program and other loan programs.

- **Strengthen incentives for charitable giving** – nationwide, charitable giving was down by 6% in the first quarter of 2020 compared with the same period in 2019, and that was before the worst of the pandemic began to hit. Passing federal and state legislation to provide incentives for people to give to charity – regardless of their federal itemizing tax status – would provide a desperately needed lifeline to these essential organizations.

- **Help non-profit employers** - many non-profits have laid off or furloughed employees as a result of the pandemic, with more job losses undoubtedly forthcoming. These unforeseen staff reductions compromise program continuity and effectiveness, and can result in dramatic increases in unemployment expenses. We need to pass legislation to ensure that the layoffs and separations precipitated by this crisis do not adversely affect the experience ratings for non-profits that contribute to the state’s unemployment fund. For those who “self-insure” and make direct payments to the state, federal law currently provides funding for 50% of these direct payments; New Jersey must enact legislation to cover the remainder, which would avoid crippling charges for these organizations.

- **Allow for modification of contract terms** on contracts between non-profit organizations and State agencies for when a non-profit is unable to fulfill the original terms due to COVID-19 pandemic.

- **Provide regulatory and filing relief for New Jersey non-profits** by extending corporate and charities registration report deadlines and raising mandatory audit thresholds.

In urging lawmakers to enact additional relief, Czipo noted, “New Jerseyans are counting on non-profits to be there with immediate and long-term programs and services to help us through the current crisis and through long-term recovery.”

As Andrade-Mims stated, “We cannot be an afterthought.”

The full press conference recording is available on Youtube. Additional background appears below.
Background information and resources

- **COVID-19 Rapid Response Surveys of New Jersey Non-Profits** – #3 July 2020 | #2 April 2020 | #1 March 2020

- **New Jersey Non-Profit Community letter** to Governor Murphy, Lt. Governor Oliver, and the New Jersey State Legislature, signed by nearly 150 NJ organizations – August 27, 2020

- **Nonprofit Letter**, signed by more than 4,000 non-profits nationwide, including more than 110 in New Jersey – July 13, 2020

- **More than 1 million nonprofit jobs lost** (via Johns Hopkins University Center for Civil Society Studies)

- **Individual giving dropped 6 percent** versus the first quarter of last year– and that’s just through March, which is before things started shutting down and unemployment started skyrocketing. A separate survey found that **20 percent of donors are pausing giving** until the economy recovers. This is especially concerning because, even if those people resume giving next year, a donation next year doesn’t help someone who needs food or mental health services right now.

- And this is just the beginning, because with state and local budget deficits, more cuts to non-profits will be coming. Already, in some states, payments to nonprofits for services they are performing in communities are being frozen. And, with nearly **1/3 of non-profit revenues overall coming through government grants and contracts**, more trouble is on the horizon. Government has been relying increasingly over the years on non-profits to provide vital services in our communities; without additional relief, these services are increasingly in jeopardy when they are needed more than ever.

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