

Date April 4, 2022
To: Representative Noor and the members of the House Workforce Committee
From: Steve Houtz, Metropolitan Alliance of Connected Communities

RE: HF 4355 Support for Establishing a COVID-19 Nonprofit Resiliency & Recovery Fund

We are writing on behalf of our network of 56 community-based, human service nonprofits in support of the establishment of a COVID-19 Nonprofit Resiliency and Recovery Fund. Initially \$50M was included in HF4355 for nonprofit relief grants. While the initial amount was less than the \$200M requested by our coalition and far less than the real need, we are discouraged and frustrated given the importance of this investment, that the current amendment removes the funding entirely.

Nonprofit organizations are a critical part of our state's economic and operational infrastructure. We employ 14% of the state of Minnesota's workforce and yet we have been excluded from dedicated relief funding during the converging crises of the last two years. Minnesota's nonprofits are integral partners in realizing the investments the state makes in the in the well-being of our communities. From elder services, workforce development, food and housing needs, to mental health counseling, parent supports, youth development programming, and childcare - community-based nonprofits are embedded in the infrastructure that provides a strong foundation for community well-being for Minnesotans through all phases of life.

Minnesota's nonprofits have been on the front-lines of the pandemic and racial justice crises, we've risen to the challenge again and again these last two years, and we need dedicated investments to stabilize our infrastructure.

Some Minnesotans are bouncing back but many in our communities will be dealing with the compounding economic, health, social, educational, and racial trauma of this crisis for years to come. Nonprofit organizations' operational stability has been threatened by new, unanticipated needs and current funds are not enough to cover the full costs of what it takes to provide these services.

We are concerned about our state's human service nonprofits and their ability to continue to provide the critical services that our community's most vulnerable populations need. Most community-based human services are operating with high financial risk, in particular:

1. *A significant, if not majority, of funding for nonprofit human services comes from state, county, and local government entities*
2. *Government contracts do not reimburse the full cost of providing vital services leading to persistent operating deficits*
3. *Few community-based nonprofits have significant financial reserves, leaving no margin of error for unexpected revenue losses or rising costs*

Nonprofits need an infusion of dollars to ensure stability and adaptability. Increased demand for our services and the costs of operating safely during an unprecedented, multi-year pandemic have outpaced revenues for nonprofits. We know our expertise and deep community relationships uniquely position us to help Minnesota navigate this crisis and the long-term rebuilding process that will follow. Nonprofits strengthen communities and build economic vitality for people across the state – but that critical work is in jeopardy.

Without these organizations much of the state's work on the social determinants of health and vulnerable populations would NOT be possible and the increased demand for services will continue well beyond 2022. Philanthropy and private donations alone cannot fill the gap. By leveraging federal emergency relief funds and our state's budget surplus to support Minnesota's nonprofit sector we can maintain the ability to address current needs and support a healthy, competitive workforce and vibrant, thriving communities for all Minnesotans as we come through this crisis.

We ask for your support and swift action in favor of a nonprofit resiliency and recovery fund.

If you have questions, please contact:
Trisha Reinwald, trisha.reinwald@macc-mn.org

About the Metropolitan Alliance of Connected Communities

Metropolitan Alliance of Connected Communities (MACC) is a membership organization of currently 56 metro community-based human service organizations that collaborate to address the social determinants of health and strengthen their organizational adaptability. For over twenty years MACC has created capacity for innovation in human services by bringing together new partners, creating space for new ideas, and working together to create solutions to help our members be more adaptive and make a greater impact.

Collectively, MACC's network serves more than 300,000 of the metro's most vulnerable citizens each year, those living the inequities of our time. Nearly all come from low-income households. The MACC membership provides a wide range of services across the 7 county metro area ranging from food shelves, domestic violence services, housing, behavioral health, employment services, immigrant & refugee services, parent supports, youth development, and elder support.

MACC MEMBERS

360 Communities	DARTS	Keystone Community Services	Pillsbury United Communities	The Family Partnership
African American Leadership Forum	East Side Neighborhood Services	LDA Minnesota	Plymouth Christian Youth Center	The Link
Alexandra House	EMERGE Community Development	Mainstreet Family Services	PRISM	Tubman
Annex Teen Clinic	Family Enhancement Center	Merrick Community Services	Sabathani Community Center	Ujamaa Place
Asian Women United of Minnesota	FamilyWise Services	Minnesota Elder Justice Center	Second Harvest Heartland	Valley Outreach
Avenues for Youth	Hallie Q Brown Community Center	MNCASA (Minnesota Coalition Against Sexual Assault)	SEWA-AIFW	VEAP
Banyan Community	Hamm Clinic	MoveFwd	Simpson Housing Services	Women's Advocates
Better Futures Minnesota	Haven Housing	Neighborhood House	Southside Family Nurturing Center	Women of Nations
CAPI USA	Hope 4 Youth	Neighbors Inc.	Southern Valley Alliance	
Change Inc.	House of Charity	Northside Economic Opportunity Network	St. Stephen's Human Services	
Community Action Center of Northfield	Ignite Afterschool	Northwest Indian Community Development Center	Stepping Stone Emergency Housing	
COPAL MN (Comunidades Organizando el Poder y la Acción Latina)	Interfaith Outreach & Community Partners	Phyllis Wheatley Community Center	Survivor Resources	

**OUR 56 MEMBERS COVER A DIVERSE ARRAY OF MISSIONS AND PROGRAMS
TOGETHER, WE GENERATE OVER \$394 MILLION IN ECONOMIC ACTIVITY
WE EMPLOY MORE THAN THAN 2,800 PEOPLE AND SERVE OVER 300,000 CLIENTS ANNUALLY**