March 23, 2020

The Honorable Jared Polis
200 E. Colfax Avenue, Room 136
Denver, CO 80203

Dear Governor Polis,

Colorado Nonprofit Association commends you on your strong leadership and vigilant response to the spread of Coronavirus within our state and the needs of Coloradans. Many nonprofits are on the front lines of responding to this pandemic. In addition to supporting the health and economic well-being of Colorado’s families, many other nonprofits are doing their part by complying with social distancing, closing down their offices and venues, and working remotely or ceasing operations temporarily.

We know that “Flattening the curve” of COVID-19 is critical to all Coloradans. We also know that the economic costs for our nonprofit sector, like many other industries, will be substantial. Revenues supporting the nonprofit sector - including grant funds, donations, earned income, and fees for service - depend on serving and engaging the public in carrying out charitable missions. Nonprofits are finding new ways to deliver services virtually but others won’t be able to open their doors again until this crisis passes, potentially causing permanent closure.

As you continue to take action, we ask you to include steps to ensure nonprofits can sustain services to keep our communities healthy and resilient. Colorado’s nonprofits support over 330,000 direct and indirect jobs, directly employ nearly 190,000 Coloradans, and contribute over 11% to our state’s GDP.

We ask you to do the following to help sustain nonprofits’ services to communities and their workforce:

Hold nonprofits harmless for inability to fulfill state grant and contract deliverables due to COVID-19. Meeting their deliverables of government grants and contracts may depend on nonprofits serving people in person, keeping their facilities open, or other conducting activities that conflict with directives to maintain social distance. We ask that state and local government agencies base agreements on intended deliverables and not penalize nonprofits if they are unable to meet actual deliverables during the COVID-19 crisis.

The OMB M-20-11 memo is an example that Colorado may consider of how the federal government has responded to COVID-19 with more flexibility and leniency in terms of federally-funded grants and contracts. As needed, we recommend allowing nonprofits and government agencies to renegotiate agreements to sustain nonprofits’ capacity to meet deliverables.

Ensure unemployment assistance from the Colorado Department of Labor and Employment applies to nonprofits. Many nonprofit organizations opt out of Colorado’s Unemployment Insurance (UI) program by
joining unemployment trusts or self-insuring. Many more organizations do not participate because they have fewer than four employees. Currently, we are not certain that these organizations can definitely benefit from this relief. Some states are considering exempting COVID-19 claims from impacting an employer’s experience rating and this should apply equally to nonprofits if the state takes this approach including nonprofits that opt out or are too small to participate in Colorado’s UI system.

Ensure loan programs that assist small businesses apply equally to nonprofits. We are pleased to see that some of the Small Business Administration loans applicable to COVID-19 have offered lower interest rates. As your Administration develops state government small business relief, please include nonprofits as eligible entities.

Continue involving nonprofit and foundation leaders in the response to this crisis. We applaud the launching of Help Colorado Now, the COVID-19 relief fund, and all the ways your office is collaborating with nonprofits to provide resources so that nonprofits can meet the basic needs of Coloradans. As more task forces and committees are formed, we ask that you keep involving nonprofit leaders in the response and recovery effort.

Consider what is needed to sustain our nonprofit sector as you move from responding to this crisis to economic recovery. Nonprofits are affected in various ways and in varying degrees. Some organizations will successfully transition to a virtual office while the mission of others is place-based and relies on attendance revenue. Some lost fundraising revenue due to cancelled events and may still be liable for contractual food and venue costs. In short, successful recovery means that some nonprofits need much more help than others to pick up where they left off before the pandemic.

Support efforts to include relief for nonprofits in forthcoming legislation. We have included a national letter from nonprofit organizations with requests to strengthen federal charitable giving incentives and equal availability of federal loans to nonprofits.

Let us know how we can help in providing useful information or connecting you with leaders who can advise your efforts. Please know that Colorado Nonprofit Association is ready and able to participate and serve where needed, bringing the concerns and knowledge of the nonprofit sector into the conversation.

Sincerely,

Renny Fagan, President and CEO
Mark Turner, Senior Director of Public Policy