

Date March 16, 2021

To: Chair Noor and members of the House Workforce and Business Development finance and Policy Committee

From: Steve Houtz, Metropolitan Alliance of Connected Communities

RE: Support of HF 2019 - Urgent Recommendation to Establish a COVID-19 Nonprofit Resiliency & Recovery Fund

We are writing on behalf of our network of 55 community-based human service nonprofits in support of the establishment of a COVID-19 Nonprofit Resiliency and Recovery Fund,

Nonprofit organizations are a critical part of our state's economic infrastructure. This nonprofit infrastructure is an integral partner in the investments the state of Minnesota 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 nonprofit organizations make up a large portion of the infrastructure that provides a strong foundation for community well-being for Minnesotans through all phases of life.

These organizations are more critical than ever and they are more fragile than ever. During this converging set of crises, our organizations have been on the front lines supporting our most vulnerable community members.

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 government*
2. *Operating deficits due to government contracts which already do not recognize full costs*
3. *Few or no reserves, leaving no margin of error for unexpected revenue losses*

Nonprofits in the state are in need of an infusion of dollars to ensure stability and adaptability in the coming months. Increased demand for services and the resulting costs of operating during a pandemic have outpaced revenues for nonprofits. And we know our expertise uniquely positions us to help our community navigate this crisis and the long-term rebuilding process that will follow. These organizations strengthen communities and economic vitality for people across the state.

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 2021. Philanthropy and private donations alone cannot fill the gap. 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.

We ask for your support for 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

The Metropolitan Alliance of Connected Communities (MACC) is a membership organization of over 55 metro community-based human service organizations that collaborate to address the social determinants of health and strengthen their organizational adaptability. For 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 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	Interfaith Outreach & Community Partners	Pillsbury United Communities	Survivor Resources
African American Leadership Forum	Minnesota Coalition Against Sexual Assault	La Crèche Early Childhood Centers, Inc.	Plymouth Christian Youth Center	The Family Partnership
Alexandra House	East Side Neighborhood Services	LDA Minnesota	PRISM	The Link
Annex Teen Clinic	EMERGE Community Development	Mainstreet Family Services	Sabathani Community Center	Tubman
Asian Women United of Minnesota	Family Enhancement Center	Merrick Community Services	Second Harvest Heartland	Ujamaa Place
Avenues for Youth	FamilyWise Services	Minnesota Elder Justice Center	SEWA-AIFW	Valley Outreach
Banyan Community	Hallie Q Brown Community Center	Neighborhood House	Simpson Housing Services	VEAP
Better Futures Minnesota	Hamm Clinic	Neighbors Inc.	Southside Family Nurturing Center	Women of Nations
CAPI USA	Hope 4 Youth	Northside Economic Opportunity Network	Southern Valley Alliance	Women's Advocates
Change Inc.	House of Charity	Northwest Indian Community Development Center	St. Stephen's Human Services	
Community Action Center of Northfield	Ignite Afterschool	Phyllis Wheatley Community Center	Stepping Stone Emergency Housing	

OUR **55** MEMBERS COVER A DIVERSE ARRAY OF MISSIONS AND PROGRAMS
TOGETHER, WE GENERATE OVER **\$394** MILLION IN ECONOMIC ACTIVITY
WE EMPLOY MORE THAN **3,500** PEOPLE AND SERVE OVER **300,000** CLIENTS ANNUALLY