



April 7, 2020

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

Dear Governor Walz, Lt. Governor Flanagan, and House and Senate Leadership,

Nonprofits throughout Minnesota are making difficult decisions with their labor force due to economic challenges resulting from the COVID-19 pandemic. Organizations are doing everything they can to keep their employees, but many are finding it necessary to lay off workers. We applaud DEED's commitment to supporting nonprofits, and thank the Administration for issuing Executive Order 20-05 to not increase the future unemployment tax rate of taxpaying employers due layoffs associated with the COVID-19 pandemic.

The Issue

Many nonprofits, however, along with governmental and tribal organizations, self-insure for unemployment claims. Self-insured employers (also called reimbursing employers) reimburse the state dollar-for-dollar for the full amount when a former or furloughed employee files for unemployment benefits. This is a sensible, cost-saving approach for the nonprofit employer and is intended for the individual circumstances of resignation, termination, or layoff.

The advent of COVID-19 has changed our normal. In response, the federal CARES Act includes a reimbursement for self-insured nonprofits for half (50%) of the costs of the benefits provided to their laid off or furloughed employees. There are many nonprofits providing essential services in our great state who will be unable to pay the bill for the other 50%. The risk here is financial failure and closure of hundreds of nonprofits in our state.

Without additional relief, nonprofits that have elected to self-insure for unemployment costs – including healthcare providers, food banks, housing providers, and senior care facilities – may have to close their doors or significantly reduce services at a time when access to healthcare, food, housing, and other basic needs are more essential than ever.

The Solution

We ask the State of Minnesota to **protect self-insuring nonprofit employers by holding them harmless for the cost of all (100%) of the unemployment claims incurred** because of COVID-19.

We would like to provide an estimate of the cost for the state providing 50% of this relief. However, MCN has been working with DEED for over a year to understand the number of reimbursing employers in Minnesota, and that research is understandably delayed as DEED focuses on immediate needs of applicants for unemployment.

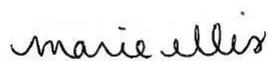
Please note that MCN and our partner organizations around the country are also advocating at the federal level for Congress to include 100% relief, or higher than 50%, for reimbursing employers in the next COVID-19 related relief package. Should those efforts be successful, this request would be withdrawn.

Thank you for your thoughtful and practical responses to this pandemic. We are thankful to be in partnership with you all.

Sincerely,



Jon Pratt
Executive Director



Marie Ellis
Public Policy Director

CC: DEED Commissioner Steve Grove
Senate Jobs and Economic Growth Finance and Policy Committee leaders:
Chair Eric Pratt
Vice Chair Justin Eichorn
Ranking Minority Member Bobby Joe Champion
House Jobs and Economic Development Finance Division leaders:
Chair Tim Mahoney
Vice Chair Mohamud Noor
Republican Lead Bob Gunther

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As an association with nonprofit provider members, it is important to provide them the UI relief afforded other employers.



Our organization is seeking relief because as an employer of more than 400 people, many of our team members are no longer working due to the current situation. Collectively, we generate over 87M of economic impact for the local and state community and as a event driven organization we are have difficult financial times. Any relief would go a long way to help us continue as an organization.



Due to a COVID 19 related restructuring, the Ordway Center for the Performing Arts is anticipating an Unemployment Insurance expense that will make an already uncertain time for our organization even more precarious.



There are Catholic entities around Minnesota that are reimbursing employers, and for which it would be difficult or even impossible to pay reimbursement requests for multiple employees laid off at one time.



The financial implications of COVID-19 are hitting us hard. We have had to cancel several fundraising events for the months of March and April, and most of our donations come from working people who are now struggling with a loss of income due to COVID-19. We have already pared down our staffing and some employees are eligible for unemployment. With a huge loss in income, it will be a financial hardship for us to reimburse for their unemployment benefits.



Educate. Challenge. Inspire. The nation's largest and most acclaimed theatre for multigenerational audiences.

As an organization that serves children and families in Minnesota, this issue presents a particular hardship given the loss of earned income from theatre performances and educational classes.

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The coronavirus crisis is crushing the arts community in Minnesota. Gatherings of community are the lifeblood of the nonprofit arts, and we are going to lose many arts organizations who can't weather this financially. We hope that this relief will help some of them survive.



DARTS primary clients are older adults who are choosing to go without help rather than risk infection. We furloughed direct service providers, who will return to work when the demand for rides and home cleaning tasks begins to return. We estimate unemployment claims of \$12,000/month and lost revenue is projected at \$25,000/month. Further, the amount we pay in to unemployment will be colored by the pandemic experience and affect our cash flow for years to come as we work to increase our prepaid unemployment bank.



The notifications I've received in the last week alone indicates more actors and stage managers (who we hire as employees) are applying in this short period than we've ever experienced in longer periods of time total. With no arts organizational work as we know it now hiring, reimbursing will have a tremendous financial impact on our organization with the added complication that we have had to cancel our spring production and annual benefit resulting in additional lost revenue anticipated for this current operating year.



We are a small nonprofit relying on individual donations and grants. UI costs will cripple us as our cash flow is restricted by the requirements of grantors. We are working with grantors to adjust the grant parameters, but for some, they will want their grant dollars returned.



Unemployment insurance assistance from the State of Minnesota will go a long way in relieving the financial pressures our organization is facing with this unprecedented coronavirus crisis. Our unemployment claims went from zero to more than 30 claims over the past week and I estimate that our liability could total more than \$35,000. This is an expense that is not in the budget. And since our theatre is closed at the moment, we have no income coming in to pay these claims.



The Duluth Superior Symphony Orchestra employees 86 musicians in seasonal contracts, and we had to cancel three concerts, translating into a loss of three weeks of income. Because most musicians work at several other organizations, the work closures have driven them to be unemployed for the foreseeable future.



American Craft Council has taken a significant hit to revenue due to cancellation of large event due to COVID-19 which may cause us to furlough or lay off employees. As a reimbursing employer, the increased cost of unemployment will cause financial burden on our organization while nonreimbursing employers are receiving relief.



We have laid off 3 employees and expect more claims from past employees - as well as potentially laying off the two remaining employees soon but are looking into Paycheck Protection Program from SBL.



The Reif Arts Council is the managing organization of the Reif Center which is the premier performing arts and arts education facility in Northern Minnesota. Our income has come to a halt during this COVID-19 crisis and we have 11 full and parttime employees that rely solely on their income from this organization. Since Governor Walz's "Stay at Home" order, we have three part-time and one full-time tech people that have completely or partially lost their income and will rely on unemployment. Thank you!



The autism community depends on countless nonprofits to maintain services and supports at every stage of the lifespan. Families and individuals depend on these organizations to maintain community inclusion and quality of life. Without UI support from the state many of these organizations will not survive this crisis and we will have a new crisis on our hands within the disability community. I urge you to consider the long term ramifications of current policy decisions and not sacrifice the safety and care of people with disabilities in the aftermath.



Dozens, if not hundreds, of arts organizations across Minnesota will be bankrupted by having to reimburse for COVID-19-related unemployment insurance claims, even at the 50% rate. Most arts organizations are already facing unprecedented financial challenges by having to cancel events; even

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with the new small business help they could never recover if they had to reimburse for unemployment insurance claims.



Textile Center made the painful decision to temporarily furlough 13 of its 17 staff members due to the loss of major streams of revenue, including our education programs, community activities, and our artisan retail shop. We are covering 100% of the health and dental insurance premiums for our benefits eligible furloughed staff. The costs we are incurring due to COVID-19 are immense, and unemployment insurance relief will be essential for us to bring our staff back on to our payroll so that we can reopen our center and our programs. Minnesotans are going to need art in their lives more than ever following this pandemic.



Our nonprofit organization, Alliance Francaise of Minneapolis/St Paul, is a reimbursing employer for unemployment claims. Thirty of our 40 employees are part-time, either teachers or administrative support staff. Virtually all of our part-time staff work elsewhere in addition to employment with our organization. Due to the global pandemic, many of those staff members have been laid off from their other places of employment. Alliance Francaise has not cut hours for any staff, whether full-time or part-time. We have already begun receiving UI claims for some of our current staff due to the loss of their other work even though they continue to be employed and paid by Alliance Francaise. One example is a part-time evening receptionist who also works in the restaurant industry, which is now closed. Another example is our part-time facilities coordinator who works full-time as a flight attendant for a major airline. I expect to receive additional claims which will impact our organization's tight cash flow in this crisis.



The Guthrie has guaranteed employment to all staff through May 10, 2020. Due to our recent decision to cancel all summer programming based on Governor Walz' statement that the peak of infections will occur in 14 weeks, we anticipate significant lay-offs to follow and will benefit greatly from the unemployment compensation relief from the state.



As a fitness & aquatics center (The Center) and a performing arts center (The Historic Holmes Theatre), the Detroit Lakes Community & Cultural Center (DLCCC, Inc.) is closed per the Governor's mandate. We have furloughed all 100+ employees and are not able to generate income while still having building expenses. All of our employees who were eligible have filed for unemployment. We are deeply concerned for the future of our organization if we have to re-pay unemployment benefits in July.

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WALKER

The Walker Art Center informed employees on March 20, 2020 that it will be paying all staff – including part-time and leased staff – through May 31. We did this because we wanted to make sure that staff had some stability at this moment when life feels precarious. Given the extent of the current public health and economic crisis, however, the Walker will soon need to consider furloughing, reducing compensation, and/or laying off some staff. Like many non-profits, the Walker has elected to self-insure for unemployment claims and without additional relief from the State of Minnesota to help cover a dramatic spike in claims expense, our institution will be forced to make even more difficult decisions about reducing the scope of its programs and staff in the coming months.



Our nonprofit organization had 3 staff members. We self-insure for unemployment claims; and only reimburse the state dollar-for-dollar for the full amount when a former or furloughed employee files for unemployment benefits. Therefore, this would cause an undue hardship on our organization, and why we need UI relief. We don't have funds in our budget to cover this expense.



Though we do not traditionally lay off our staff, on those rare occasions when a former employee has filed for unemployment and we have had to pay, it has placed a serious strain on our small operating budget.



Center for Energy and Environment (CEE) earns most of its revenue through fee-for-service contracts to help residents, small business owners, landlords, tenants, nonprofits and local governments to save energy in their buildings. Without an ability to visit customers, most of our revenues have temporarily dried up. To date, CEE has not laid off any employees. However, we need to have all the tools at the ready, including a strong unemployment safety net, if we are to withstand a lengthy delay in re-starting work.



The 17 colleges and universities of the Private College Council employ more than 14,000 faculty and staff. Our schools are trying to maintain employment for all employees, but many employees' jobs depend on having students present on campus. The COVID-19 pandemic will cause some layoffs or furloughs. Since our institutions are tuition-dependent, unemployment insurance reimbursements for COVID-19 claims are unaffordable burdens, especially with all the costs our institutions are already bearing to continue to serve their students through remote learning. Please provide parity in relief from unemployment insurance claims between nonprofit and for-profit employers.

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Circus Juventas has been a member of the Unemployment Services Trust as a reimbursing employer for 10 years. Circus Juventas traditionally has low and well managed unemployment claims, and so the Trust has been an excellent choice for us. However, with the governor's order to shut down all entertainment venues and schools, we have closed. We are the largest circus school in North America, with over 1200 students, age 2-22, taking classes with up to 120 coaches and workshop artists in a year. Our UI bill, due to having to immediately lay off our coaches, is crippling and will have enormous repercussions on our financial stability.



As lawyers working with nonprofit organizations, we are seeing firsthand the devastation that the public health emergency and associated economic collapse are having on our clients and the people they serve. Nonprofits are on the front lines of this crisis and need all the support they can get.



We have 23 part time employees, 3 of whom are admin, the rest teach music or art at our nonprofit in Bemidji. We have had to suspend our group classes and cancel our biggest fundraising event of the year. Thus far, both of our art teachers no longer have income due to the cancelled group art clubs and pottery classes.



The Minnesota Orchestra is anticipating an unprecedented spike in unemployment claims, which will severely stress the organization at a time when we have also had to cancel a significant portion of our concert season. Without reimbursement relief, we will be challenged to sustain this world-renowned orchestra and its programs that reach Minnesotans in every county in the state.



MacPhail Center for Music is a direct reimbursing employer with the State of Minnesota; this reduction and management of our unemployment costs is an important part of our strategy to balance our budget each year. Absorbing the cost of unemployment for potential COVID-19 related furloughs would create hardship for our organization forcing us to consider additional workforce reduction as a result.



Cassia is a non-profit organization that provides older adult services (skilled nursing care, assisted living, home health, etc). We have 5,200 staff in 5 states, but our primary base is in MN. We are on the front lines of providing care to many at high risk for COVID, so are incurring many extra costs related to preparing for and addressing those needs. While we don't anticipate laying off large numbers of people, it is possible that caregivers can come into

contact and become ill or because of conditions that put them at risk, but unable to work. The combined costs of these expenses is significant, and full UI relief would be significant.



**Big Brothers
Big Sisters.**
TWIN CITIES

Nonprofits try to wring every bit of value from donated funds and under normal circumstances, self-funding unemployment achieves that. The current situation makes self-funding financially devastating, endangering the survival of organizations when our services are desperately needed by the people we serve.



With the closure of our performing arts space we have lost all sources of revenue and as a result have laid off 28 employees while the organization tries to survive on its current cash reserves. Essential staff have established skeleton operations and are working to develop an entirely new operational model and adapt programs into virtual opportunities to meet current grant requirements and justify future support while simultaneously serving the community. We need all the help we can get.



Hmong American Partnership is a grant-funded, social service non-profit organization, serving the immigrant and refugee community. In the event that we must furlough some employees for a period of time, we do not have room in our budget to shoulder the additional costs that we would incur as a reimbursing employer. Depending on the longevity of this crisis and what the actual unemployment costs might end up being, we would be at risk of having to close our doors.



As a church and preschool the pressure of laying off staff knowing we cannot pay a large unemployment claim is unprecedented. Mount Calvary is doing everything possible to pay our preschool teachers after 3 weeks of not working. We are uncertain of return to school and know from experience enrollment will be down regardless of how long or short this lasts.



As a nonprofit that employs fewer than 50 people, and one that is trying to keep our doors open, we would appreciate help from the state. Voluntary furloughs help our budget, but not if we have to pay that amount out.



Accessible Space, Inc.

HOUSING WITH CARE®

Our nonprofit serves only low-income individuals with significant physical disabilities. Our reimbursement rates,

which are set by the state, do not cover the cost of care. We surely cannot bear the additional burden of an unanticipated surge in the cost of reimbursing unemployment claims during this public health pandemic. We literally have no margin for this.



Because our agency provides outpatient occupational and speech therapy as well as contracted services to schools we have had several employees laid off as well and the majority of the workforce experiencing a reduction in hours. All affected employees have applied for unemployment.



As a small nonprofit serving families of young children, we operate on very narrow margins, and nearly 100% of our income goes directly to staff wages. Having to reimburse for unemployment costs incurred during this crisis would surely put us out of business and we would no longer be able to serve our mission.



Responding to the COVID-19 pandemic is forcing many front line organizations like Keystone to marshal their dwindling resources to offer basic needs supports for more people every day. Approving this request will ensure that our temporarily laid off employees, whose work evaporated when schools were closed and seniors were asked to stay home for their safety and health, will have the unemployment support they need during this period.



We are in urgent crisis with our programming, funding and disruption of services to our at-risk population. MRCI, a provider for Minnesotans with moderate to severe disabilities with employment, life skills and leading independence has been impacted early and substantially by this crisis. On March 18, MRCI closed our employment and day programs at all locations for 1300 participants, creating a financial need to lay-off 340+ staff.



I am the CEO of Johnson Memorial Health Services, located in Dawson, MN. We are comprised of a Critical Access Hospital, a Rural Health Clinic, a 56-bed Nursing Home, and a 14-bed Assisted Living in our rural community. Our organization needs UI relief from the state because we do not have the excess funds to fund our staff's likely upcoming UI claims due to the COVID-19 pandemic. We operate at a 0-1% operating margin before the removal of elective

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surgeries and preventative clinic appointments. We will not financial survive the COVID-19 pandemic in our rural community without the help of the state and federal government. This would be devastating to our entire community, as we are by far the largest employer.



The museum's closure due to the COVID-19 endemic caused a steep drop in earned revenue, requiring furloughs and salary reductions for the entire staff in order to preserve operating cash for re-opening. The requirement to reimburse unemployment insurance would place a severe strain on the museum's ability to maintain enough operating capital to remain solvent.



Due to COVID-19 the Wolf Ridge Environmental Learning Center facility is closed and as a traditionally 87% earned income non-profit we now have no programs thus no income. Beginning March 29th all staff were laid off until further notice and there is no income with which to pay reimbursement of unemployment.



For the health and safety of the people we serve, we temporarily suspended all services in our day and employment settings for adults with intellectual and developmental disabilities. As a result of having no services, we have no revenue being generated, we furloughed 95% of our employees, and we would find it difficult to absorb these significant unemployment related costs during these uncertain times.



Accord is a nonprofit serving 3000 people with disabilities or mental health issues annually. In our 50 years of business, we have strengthened our services and employee over 700 people. Due to the pandemic, we have had to furlough employees and close programs. With self-insured unemployment costs rising and our revenue decreasing (over \$20,000 per day) the organization is at risk. We want to continue to support our employees until they can come back to their positions, but without additional relief the future is unknown.



The Link is a provider of front line crisis services, emergency shelter and housing for youth who are experiencing homelessness, sex trafficking and/or involvement in the child welfare and juvenile justice systems. At this time of incredibly increased need we are also experiencing funding losses due to canceled fundraisers, loss of individual donors and volunteer donation drives and

therefore are desperately needing relief from any payments such as unemployment during this time. We appreciate your support and consideration.



Based on Southside Family Nurturing Center delivers critical family support and therapeutic early childhood education to highest risk families. With a low calculated risk and low UST balance, the burden of excess unemployment payments for any furloughed employees will likely deplete our balance in two months.



As an organization that supports Minnesota's most vulnerable citizens: people with disabilities, those living with mental illness, immigrants and refugees, and people experiencing poverty, our services are vital to the state, both in the Twin Cities and in Greater Minnesota. Currently, the majority of our programs are suspended resulting in significant lost revenue and we have been forced to furlough hundreds of our dedicated employees. We need this relief so that we can ensure the continued stability of our services now and in the future.



Family Pathways operates food shelves, domestic violence and aging services through 5 counties in east central Minnesota. We typically fund the majority of our social services through earned income from the operation of 11 thrift stores. We have had to close our stores and scale back all of our operations, resulting in a 75% reduction in our staffing. The resulting unemployment costs will quite simply be undoable.



OP is disability service provider that touches the lives of over 1000 people each year, in their homes, in their communities, and at work. On March 19th, following the guidance of the MN Department of Health, we suspended services at all of our day service locations – impacting the lives of 750 people with intellectual and developmental disabilities, brain injuries, and mental health challenges. Over 200 of our valued employees have been furloughed or redeployed to support individuals in group homes operated by Opportunity Partners and other providers. Even with the federal relief of 50% coming for self-insured organizations, we are forecasting that our obligation for these necessary benefits for employees unable to work will increase well over 500%. Minnesota is keeping UI taxpaying organizations protected during this time and needs to act now to support our nonprofit sector.



KAPOSIA

As a self-insured non-profit, we have only a fraction of what we need in our account as our history does not reflect much usage. These are extraordinary times and we need the same economic relief for-profit businesses are getting.



ABC Ability Building Community
Celebrating abilities **ONE PERSON** at a time!

The total impact that we are looking at as a UI reimbursor is upwards of \$250K. Incurring a line item that large that was not planned for could potentially mean long term evaluation of continuing to provide full services in our area which could impact almost 1000 families in SE

Minnesota. We chose to be a reimbursor for UI because we typically see very few claims and have a strong workforce. A troubling time like this will be game changing in all aspects and we are looking for any sort of relief we can find to dampen the blow.



FST
Floodwood Services & Training
"ENRICHING LIVES"

Floodwood Services & Training is a small non-profit located in a rural northern Minnesota community providing services to older adults and individuals with disabilities; in addition to our core services we also provide community supports such as chore service, Senior Dining, Meals on Wheels, food shelf,

recycling and a thrift store. Mandated closure of more than two-thirds of our services has forced us to furlough most of our staff, with nearly zero in revenue, paying unemployment claims is a significant financial burden. This financial hardship will not only impact those receiving services but the economy of the community as well.



Achieve Services serves about 200 adults with developmental disabilities. As a result of COVID-19, we closed our doors and furloughed employees on March 19th. Since that time, we've had virtually zero revenue coming in, and are now obligated to pay

unemployment claims. Without state support, this issue will jeopardize our ability to re-open. On behalf of the people we are privileged to support, please help!!



The Loft has been fortunate *not* to have to lay-off staff or deal with any unemployment claims for more than five years. As a result the set-aside in our unemployment trust account, based on our rating, is insufficient to meet the potential need. We hope to avoid furloughing or laying staff off, but the economic hit to our organization, which relies on discretionary

spending for enrichment and contributions, may make it inescapable. Please consider self-insured non-profits in this difficult time.

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My small non-profit organization participates in a reimbursable account option for our unemployment needs. That means that we pay dollar-for-dollar for each and every claim. We have seen a wave of applicants thus far who Port will have to pay a large sum of unemployment for due to no

fault of our own or the previous employees fault. My very real and stark realization is that paying the claims we have to date will cripple the organization and we will no longer be able to provide needed services to youth in trauma and experiencing mental health crises. I hope this information is helpful in your work to provide relief for organizations like mine. Please let me know if there is more I can do. This means the life or death of the great organization that has been providing services to youth for over 50 years.



Fraser is the largest autism provider and early childhood mental health provider in Minnesota. This is one of many critical pieces needed to ensure our healthcare and inclusion programs can continue to be available for families during and after this emergency.



COVID-19 has resulted in the furloughing of Udac employees and will result in a prohibitive unemployment insurance expense. This expense will impact the ability of the organization to rehire

employees and reopen to provide essential employment and community services for people with intellectual and developmental disabilities at the end of this pandemic. Thank you for your attention to eliminating this prohibitive expense during this unprecedented pandemic.



Due to COVID-19, Twin Cities R!SE has had to lay off 3 staff due to loss of some funding sources. We are a self-insured employer through participation in a trust and are worried that our

reserves will be drained and our participation costs will raise in the future when we may be experiencing further funding losses.



Northeast Contemporary Services, Inc. (NCSI) provides day support, employment, prevocational, retirement, and transportation services to adults and seniors with intellectual and developmental disabilities. To ensure the health and safety of our clients, and to comply with state and federal guidelines regarding group size, we had to suspend services beginning March 19. With employees laid off and no revenue coming in, our UI bills will be untenable. We are a member of

Unemployment Services Trust, a fiscally-responsible choice for us as an agency with low and well-managed unemployment claims. Please protect us, so that we can afford to reopen our doors—when it is safe to do so—to our community’s most vulnerable citizens.

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Merrick, Inc., is only reimbursed by Medicaid when clients attend the program which was suspended on 3/18/20. With no revenue, many hourly employees were furloughed and are collecting unemployment and, as a self-insuring nonprofit employer, we need to be held harmless for the cost of all (100%) of the unemployment claims incurred because of COVID-19.



The Amherst H. Wilder Foundation continues to provide essential human services to children, families and older adults through the COVID-19 pandemic. We are doing everything we can to maintain these services at a time when they are needed more than ever; support from the state in the form of unemployment insurance reimbursement would allow us to direct more resources to the people we serve while ensuring the well-being of our workforce.



Our member organizations provide essential services to the communities hardest hit by the economic impacts of the COVID-19 crisis. These organizations operate near capacity and with limited financial resources during the best of circumstances; they simply cannot afford to continue providing these critical community services while at the same time paying Unemployment Insurance costs related to staff they could not afford to retain during this crisis, due to funding or program cuts.



MSS is currently unable to provide services, leaving us with very little income even though we are required to continue to pay fixed business costs. To date we have received no financial relief to offset any of these fixed costs. If we are not held harmless for the increase payments to our reimbursing employer UI account to offset our unemployment claims for furloughed employees it will only exacerbate our extreme financial hardship and make it even harder to remain financially viable when the community health crisis passes.



The fiscal implications of COVID-19 are very real to us as we provide services for individuals with disabilities. As a self-insured organization, our UI costs are rising exponentially each day that we are closed. Without some assistance, our organization may not weather the storm causing over 700 individuals to lose their services.



Charitable nonprofits like Catholic Charities of St. Paul and Minneapolis are facing significant financial hardships as we strive to maintain critical safety net services for vulnerable populations during the COVID-19 pandemic. Relief through unemployment protections is necessary to help self-insured nonprofits weather the economic impacts of COVID-19 so that we can continue serving those most in need.

EAST SIDE Neighborhood



Services

East Side Neighborhood Services provides many essential human services like food shelves, transportation for older adults, mental and physical health care, high school, and childcare. If we are forced to lay off or furlough employees due to lack of funding for other programs, without UI relief we may not be able to continue to provide these essential services to our community.



The system intended to protect our staff could end up limiting PAI's ability to bring them back to serve adults with developmental disabilities. We're asking state leaders to continue to address the current health crisis without leaving the state with years of service crises.



The COVID-19 pandemic has presented numerous unforeseen complexities for nonprofits including difficult decisions regarding our labor force and potential financial burdens for self-insured nonprofits. Unemployment insurance relief from the state of Minnesota would help Lutheran Social Service of MN maintain essential services that require skilled staffing during this unpredictable economic environment.

Lifeworks

Lifeworks Services, Inc. and nonprofits throughout Minnesota are making difficult decisions with our labor force due to economic challenges resulting from the COVID-19 pandemic. We are doing everything we can to keep our employees, but have found it necessary to furlough some of our workforce. We applaud DEED's commitment to supporting nonprofits, and thank the Administration for issuing Executive Order 20-05 to not increase the future unemployment tax rate of taxpaying employers due layoffs associated with the COVID-19 pandemic. We ask the State of Minnesota to protect self-insuring nonprofit employers by holding them harmless for the cost of all (100%) of the unemployment claims incurred because of COVID-19.

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We are a non-profit family service agency of just 30 employees. We are still serving children during this crisis and are now facing many challenges due to completely unanticipated drops in revenue in our programming, as well as being forced to cancel our big spring fundraiser. We know that many of our individual donors are also being impacted. In this short time, we've been hit with claims from four former employees, with more likely to come. It would be financially and operationally devastating for a non-profit of our size and means to bear the burden of this level of unemployment with no real relief.



As a safety-net health and human services provider, Face to Face is open for services to the vulnerable segments of our community - youth. The 50 percent contribution of the state towards unemployment benefits will help us stay open during this pandemic and beyond as we scramble to manage the cost of doing so with decreased operating income.



Volunteers of America Minnesota provides community-based health and human services for over 25,000 low-wealth Minnesotans across the lifespan every year, employing a staff of over 600 in more than 90 neighborhoods and communities across the state. As an organization that provides critical services for populations facing significant challenges, low-wealth community members and those historically impacted by health and opportunity disparities, much of our work continues to be essential during this first wave of the COVID-19 pandemic, and yet we acknowledge and are preparing for the reality that this pandemic will present both short- and long-term impacts on our entire community, and are thus supportive of efforts to protect nonprofit employers by holding them harmless for the cost of all (100%) the unemployment claims incurred because of COVID-19.



Women's Advocates opted recently to become a reimbursing employer for purposes of unemployment insurance. In a normal year, our unemployment claims are minimal; we considered this decision carefully and determined that this was a wise and fiscally prudent decision. Because we operate a 24/7/365 shelter for domestic violence victim/survivors, our staff are considered essential workers. However, to minimize exposure to the novel coronavirus for our staff and residents, we have reduced in-shelter staffing to a skeleton crew; the rest of our staff are working at home but at some point we will run out of work that can reasonably be done remotely and will need to consider layoffs. Bearing unemployment costs on top of all the other costs of managing through this emergency will be extremely challenging.



Sunshine Montessori School has been providing preschool education to children in South Minneapolis for 40 years. While families are appropriately social distancing, we are subject to losing the majority of our students and therefore tuition income. This loss will lead to significant layoffs and suspension of educational services for the duration of the Covid-19 pandemic. We desperately need the support of the state of MN to ensure unemployment funding to allow us to continue to provide early education for the next 40 years.



Enterprise North, Inc.

Enterprise North, Inc. is a Day Training and Habilitation program serving adults with disabilities in the New Ulm and Madelia areas. Due to the COVID-19 crisis we have suspended operations temporarily and expect to have unemployment claims like we have never seen before. With no revenue coming in this will be a great hardship and could jeopardize our ability to continue offering services after the crisis has passed.



Many of our employees support caregivers who care for medically complex individuals 24 hours a day, seven days a week. We often provide the only relief caregivers receive in a given week; we need unemployment payment relief support to allow us to offer these services the moment restrictions are lifted.



APPLE TREE DENTAL

Our organization provides dental care to the most vulnerable citizens of the state, and we are a part of the safety net for those who face barriers to receiving care. Given that we had to furlough 65% of our employees because we can only provide urgent/emergent care at this time, covering 50% of the related unemployment costs would be a devastating blow in our ability to restore services.



The total financial implication of having to close our doors on March 15 for an undetermined amount of time is still unknown, but will most likely have a considerable long-term impact on our ability to serve our community. As a community center, our organization is dependent on membership and program fees and without federal or state-funded relief, it is uncertain how long it will take our JCC to recover from the impact COVID-19.



future.

The Family Partnership self-funds our unemployment. We have been fortunate in having a very low experience rating since 2017. Paying up to 30 claims for an undetermined amount of time will force us to reduce critical early childhood and mental health services in the



more than a few weeks.

As of 4/6/2020, we have laid off all non-essential employees (approximately 60), and are working this week to establish the next round of layoffs. Without relief, we will be unable to sustain our portion of unemployment costs (at the 50%) for



unless organizations like ours are provided relief.

MMEA diligently invests resources to equitably support as many students, teachers, and school communities as possible, and choosing reimbursing employer status with our stable workforce was the right decision for 2000 and 2008 recessions. That same decision is almost certain to shutter our services by the end of 2020



programs that we are now offering virtually at no cost.

YFDS, needs UI relief, because of the coronavirus we have to cancel some key fundraising activities and events and the fact the general public has stop giving to non-profit. In addition, because of the Governor orders, we had to discontinue our fee based



Increasing hours of operation for our Emergency Shelter from 10 to 24 hours a day, in response to COVID-19, is quickly depleting our cash reserves. As a result we expect unemployment insurance requests to exceed our ability to reimburse the State.



Because we serve the cultural communities of South Asian seniors, disabled at home bound community with basic food, groceries and urgent medical appointments. Education and assurance around discrimination based on xenophobia, fear, anxiety during these times.



revenue comes from our food businesses.

We are a small nonprofit that is self-insured but because of COVID-19, we had to lay-off all of our café/restaurant/catering staff and almost 50% of our



I am in support and need of the state picking up the other 50% of the tab for unemployment for those nonprofits that are self-insured as we are. Amplify had a staff of one until

the beginning of the year. We are now a staff of 2 and financially we are unprepared to shoulder the burden of the price of unemployment for our newly added FT employee. We would be out of business rather quickly having the additional burden of unemployment on top of donations drying up for a period of time yet expenses still being incurred.



Our hundreds of performing arts organizations are a valuable asset to the cultural and economic vitality of Minnesota, and many are vulnerable as they are forced to close, consequently losing the earned income that supports their already lean operating budgets. Many performing arts organizations across Minnesota may be able to weather this turbulent time if they can be held harmless for unemployment insurance claims during this time of

pandemic. As someone who pays close attention to over 400 performing arts organizations, I can testify that our theater practitioners have readily followed the state's guidance for social distancing and closing of their businesses, as they do their part to flatten the curve of COVID-19. Please help them in this way to be able to return to bringing performing arts experiences to Minnesota's communities. Thank you.



Park Square is experiencing the highest rate of unemployment claims in our 45 year history at the same time that canceled performances are causing

\$1M in revenue to disappear from the budget. The theatre is making sure artists and technicians are aware of special COVID-19 unemployment resources for the self-employed and the additional funds available for those who qualify as employees. Unfortunately, the theatre does not see a way to be able to pay its share of all the claims that will continue to come in as the pandemic continues.



Special Olympics Minnesota recognizes the critical importance of having employers from all sectors participate in Minnesota's unemployment system; however, during this

unprecedented time our primary focus is on maintaining our full employment levels so we can continue to best serve one of Minnesota's most vulnerable populations, individuals with intellectual disabilities. Reimbursement charges impact our ability to keep our current employees on payroll so they can take care of their families and contribute to the state- and nation- wide response to this epidemic. Any relief provided to our reimbursing account will be for the purpose of keeping our team whole and not adding to the rolls of the unemployed in Minnesota.

Regional chapters in:

- Central Minnesota
- Northeast Minnesota
- Northwest Minnesota
- Southeast Minnesota
- South Central/Southwest Minnesota
- West Central Minnesota



Our UI reserve is built using our historical unemployment rate and reflects a relatively flat payout amount. If unemployment benefits are increased, our reserve would vanish quickly, requiring additional finite funds be directed into the account to cover potential benefits due to affected furloughed employees' lookback period.

Moreover, we might experience an even larger potential exposure if the AmeriCorps members that we are forced to suspend due to the downturn become eligible for UI. - Currently AmeriCorps members are ineligible by Federal law for unemployment but they now potentially subject for inclusion in current stimulus relief measures. While this is a good economic measure for unemployed corps members, it has significant cost implications for organizations like the Corps who do not have dedicated funding streams to support these unemployment benefits.



Covid-19 is having a huge impact on our agency. We have furloughed or laid off all of our 55 staff. It is critical we receive relief as the financial impact on our agency is significant.

Mia

As a direct reimbursor for unemployment benefits, the enormous increase in claims resulting from potential layoffs and furloughs of staff will cause an undue hardship on the Minneapolis Institute of Art. State unemployment relief provisions in response to

COVID-19 should ensure the viability of nonprofit arts organizations.



As an employer of approximately 2,600 seasonal and temporary employees, many of whom take leave from their "regular" jobs to help put on the Great-Minnesota-Get-Together, we will be heavily impacted by the

current surge in unemployment. In a normal year, we pay MN UI between \$60,000 and \$85,000; without relief from the impact of COVID-19 layoffs, we will see a significant detrimental effect on our financial position. If only 25% of our seasonal and fair-time employees collect for 26 weeks it would be over \$432,000.



Global information serving conservation.

Our non-profit organization is funded by our member institutions who are public facing organizations including most if not all of the zoos and aquariums in Minnesota. As they are all closed and will have significantly reduced revenue this year our revenue will, in turn, be radically reduced. We will quite possibly need to layoff a significant amount of our staff. If we can get support, we may be able layoff fewer staff and/or hire them back significantly sooner

when the economy recovers. Thank you for your consideration in this time of extreme need.

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THE SAINT PAUL CHAMBER ORCHESTRA

The Saint Paul Chamber Orchestra, having canceled numerous performances in keeping with the recommendations of the Governor's office and the Minnesota Department of Health, is facing extraordinary losses in revenues as well as an unprecedented number of unemployment claims. The impact of the massive loss of revenue from both ticket sales and donations combined with the cost of these unemployment claims poses an extremely serious threat to the financial health of our organization.



Child care providers have been named an essential workforce in the COVID-19 pandemic, and as many providers as possible are trying to stay open to serve the needs of emergency workers. However, like everyone else, we have experienced a huge drop in operating revenue as parents who are able stay home with their children. Many providers have had to lay off large portions of their teachers. The Minnesota Child Care Association supports the help requested in this letter because we understand that our non-profit member child care centers are in a particularly precarious position: their laid off staff need to be able to collect UI during this time to be able to care for themselves and their families, but having to reimburse the full amount to the state could bankrupt these providers. If they go bankrupt, they will not be here to care for the children of everyone else in the workforce as our community and economy try return to normal.



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- West Central Minnesota

List of Organizations

A Chance To Grow
Ability Building Community
Ability Building Community
Accessible Space, Inc
Accord
Achieve Services
Alliance Francaise of Minneapolis/St. Paul
American Craft Council
Amplify Mission Network
Appetite for Change
Apple Tree Dental
Arrowhead Regional Arts Council
Autism Society of Minnesota
Big Brothers Big Sisters Twin Cities
Care Providers of Minnesota
Cassia
Cathedral Hill Montessori School
Catholic Charities of St. Paul & Minneapolis
Center for Energy and Environment
Children's Theatre Company
Circus Juventas
Commonweal Theatre Company
Conservation Corps Minnesota & Iowa
DARTS
DLCCC, Inc.
Duluth Art Institute
Duluth Superior Symphony Orchestra
East Side Neighborhood Services
Employment Enterprises, Inc
Enterprise North, Inc
EVOLVE Family Services
Face to Face
Family Pathways
Floodwood Services & Training
Fraser
Functional Industries, Inc
Guthrie Theatre
Headwaters Music & Arts
Hmong American Partnership
Johnson Memorial Health Services
JustUs Health
Kaposia
Keystone Community Services
KOOTASCA Community Action
Lathrop GPM
Lifeworks Services, Inc.
Lutheran Social Services of Minnesota
MacPhail Center for Music
MacPhail Center for Music
Merrick, Inc
Metropolitan Alliance of Connected Communities
Minneapolis Institute of Art
Minnesota Alliance of YMCAs
Minnesota Catholic Conference
Minnesota Child Care Association
Minnesota Children's Museum
Minnesota Citizen for the Arts
Minnesota Jewish Theatre Company
Minnesota Music Educators Association
Minnesota Orchestra
Minnesota Private College Council
Minnesota State Agricultural Society
Minnesota Theatre Alliance
Mount Calvary
MRCI
MSS
NAMI Minnesota
National Sports Center Foundation
Northeast Contemporary Services, Inc
Open Eye Figure Theatre
Opportunity Partners
Ordway Center for the Performing Arts
Our Saviour's Community Services
PAI
Park Square Theatre
Partnership Resources, Inc
Pine Habilitation and Supported Employment, Inc
Port Group Homes
Prairie Lakes Regional Arts Council
Reif Arts Council
Rise
Rochester Civic Theatre
Sabes Jewish Community Center
SEWA-AIFW

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Southside Family Nurturing Center
Southwest Minnesota Arts Council
Special Olympics Minnesota
Species360
Stages Theatre Company
Sunshine Montessori School
Susie Brown
Textile Center of Minnesota
The Family Partnership
The Link
The Loft Literary Center
The Saint Paul Chamber Orchestra

True Friends
Twin Cities Catalyst Music
Twin Cities RISE
Udac, Inc
Volunteers of America Minnesota
Walker Art Center
Wilder Foundation
Wildwoods
Wolf Ridge Environmental Learning Center
Women's Advocates
Youth & Families Determined To Succeed

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