

# WORK NOW Act (S.740 / H.R. 1987)

The broad charitable nonprofit community is united in support of the federal WORK NOW Act, a targeted pandemic-recovery bill to help organizations retain their employees, scale their service delivery, and put newly unemployed people back to work serving their communities.

## How does the WORK NOW Act work?

The “Work Opportunities and Resources to Keep Nonprofit Organizations Well Act”, or WORK NOW Act, would infuse \$50 billion into the nonprofit community across the country to get people back to work and make sure nonprofits are able to meet the needs of the populations they serve.



Funding covers salaries and wages up to \$50,000 for each employee, plus benefits. Some portion of grant funding could be used to cover operating costs (such as rent, utilities, insurance, and maintenance), and programmatic costs.



80% of WORK NOW grants would be distributed to state, local, and Tribal governments for grants provided to local nonprofits. 20% of grants would be allocated to intermediary nonprofit organizations for allocation to entities.



Grant priority would be given to nonprofits serving public needs that have increased during the pandemic, including housing and emergency shelter, public health, arts and cultural, food insecurity, supplemental educational services, direct services to help individuals stabilize their lives and fund self-sufficiency, and services in rural areas.

## Funding Distribution to State, Local & Tribal Governments

- The Treasury Department would distribute block grants to state and local governments pursuant to a modified version of the Community Development Block Grant (CDBG) program.
- Using the CDBG formula would automatically distribute funding to over one thousand state and local governments for immediate distribution to nonprofits. To counteract the CDBG formula’s tendency to benefit urban areas that lack affordable housing, the program appropriation would also include a plus-up for rural areas that would not receive adequate funding under the CDBG formula.

## Funding Distribution through Intermediaries

- The WORK NOW Act would establish an Intermediary Distribution Account in the Treasury Department.
- Nationwide and regional nonprofit organizations would be able to apply for grants made from this account both on their own behalf and on behalf of their national network of chapters.
- Intermediaries include organizations with more than 500 employees operating in multiple locations and organizations that operate through networks of affiliates, members, or branches in multiple locations.

*The Minnesota Council of Nonprofits (MCN) works to inform, promote, connect, and strengthen individual nonprofits and Minnesota's nonprofit sector, including through local, state, and federal advocacy. More information: [www.minnesotanonprofits.org](http://www.minnesotanonprofits.org).*

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## Why is the WORK NOW Act needed?

Pre-pandemic, charitable nonprofits employed more than 12.5 million people, including 65% of the nonprofit sector employees being women and nearly one-in-three nonprofit employees being people of color. Charitable nonprofits make up the third largest industry in the country – larger than the construction, finance, and manufacturing industries.

Everyday these organizations are on the front lines – providing housing, food aid, mental health and counseling services, childcare, and disability assistance to those who need it most, while also uplifting faith, culture, and quality of life in communities throughout the United States.

Our Nation's charitable organizations – while struggling themselves – have largely met the increased demands for their services. Yet, charitable giving and other revenue streams for nonprofits are increasingly unpredictable in 2021 as a result of COVID-19. Since COVID-19 hit, organizations are being forced to make difficult staffing and resource decisions over how to advance their missions while struggling to remain financially viable.

As of March 2021, nonprofits have been forced to lay off staff from more than 800,000 positions, creating undue challenges particularly for women and communities of color disproportionately pushed out of the workforce due to no fault of their own as a result of the pandemic. The nonprofit sector needs a major infusion of resources to enable organizations to bring back staff and hire additional employees so they can deliver essential services for millions of Americans.

## Take action

If you have any question about the WORK NOW Act and how your nonprofit can support this legislation, please reach out to Ileana Mejia, public policy advocate, at [imejia@minnesotanonprofits.org](mailto:imejia@minnesotanonprofits.org).

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