



PHILANTHROPY CA

An Alliance of Northern California, Southern California and San Diego Grantmakers

March 21, 2020

The Honorable Kamala Harris
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

Subject: Coronavirus Aid, Relief, and Economic Security Act, or CARES Act

Dear Senator Harris:

On behalf of Philanthropy California, we respectfully request that the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act (as proposed by Senate Majority Leader McConnell on March 19, 2020) include support for the nonprofit sector. Charitable organizations are a part of the frontline responders providing healthcare, food, shelter, and other critical services to those in need in our communities.

Specifically, we ask that the bill:

- Expressly include charitable nonprofits in the \$200 billion loan fund for businesses, including airlines. The charitable sector needs an immediate infusion of \$60 billion and the loan program is a fast way to get cash in the hands of organizations, facing lost and declining revenue due to the pandemic, yet who continue serving immediate needs in communities.
- Improve the above-the-line charitable deduction by raising the cap to \$2,000 and allowing all taxpayers to immediately claim the deduction on their 2019 taxes (due on July 15), and afterwards through 2021.
- Clarify that charitable nonprofits of all sizes are able to participate in the emergency Small Business Loan Program by using the tax law definition of charitable organizations (Sec. 501(c)(3) public charities) and removing the language that excludes nonprofits that are eligible to receive Medicaid reimbursements.

The COVID-19 (Coronavirus) pandemic facing the country is having a profound impact on the economy and has greatly expanded the need for charitable organizations to provide additional services in an unprecedented manner. As our state shelters in place for the next four weeks and the economic fallout extending well beyond, we will witness a contraction in contributions and other sources of revenue which are the lifeblood of many charitable organizations. At this

crucial time when Californians and governments will depend even more on charitable nonprofits, contributions are likely to decrease as happened following the 2008 recession.

Philanthropy has responded to this crisis. In California, over forty-five [response funds](#) have been launched in service of our communities. Our membership of foundations, corporate giving programs, and philanthropists have given with urgency recognizing the profound impacts this is having on our most vulnerable communities. However, private philanthropy alone cannot address this issue – we simply lack the size, scope, and scale of the federal government.

Without dramatic and immediate financial and programmatic backstop from Congress, America’s charitable nonprofits and the people our nonprofit partners serve will face a precipitous decline in mission services at a time when our efforts are needed like never before by our communities. Nonprofits power California’s economy, accounting for more than 1.2 million jobs – the fourth largest employer in the state. According to [Causes Count](#), which analyzes the economic impact of the sector, nonprofits generate about 15 percent or one-sixth of California’s Gross State Product.

Philanthropy California, an alliance of Northern California, San Diego, and Southern California Grantmakers, has more than 600 foundation members across the state. Our community of philanthropists and funders work in partnership with community leaders and nonprofits to make a difference in California. We serve as the forum for the exchange of ideas, improve cooperation among funders, and increase our knowledge of community problems to tackle critical issues and achieve shared goals.


If you have any questions or comments, please contact Seyron Foo, Vice President, Public Policy and Government Relations at seyron@socalgrantmakers.org or by phone at (213) 680-8866 ext. 221.

Thank you for your consideration.

Sincerely,



Christine Essel
President and CEO
Southern California
Grantmakers



Debbie McKeon
President and CEO
San Diego Grantmakers



Steve Barton
Acting Co-CEO
Northern California Grantmakers