



May 5, 2020

The Honorable Mitch McConnell
Majority Leader United States Senate
317 Russell Senate Office Building
Washington D.C. 20510

The Honorable Charles Schumer
Democratic Leader United States Senate
322 Hart Senate Office Building
Washington D.C. 20510

The Honorable Nancy Pelosi
Speaker United States House of Representatives
1236 Longworth House Office Building
Washington D.C. 20515

The Honorable Kevin McCarthy Republican Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington D.C. 20515

RE: H.R. 6408 – The Save the Organizations that Serve (SOS) Act

Dear Majority Leader McConnell, Speaker Pelosi, Leader Schumer and Leader McCarthy:

On behalf of Philanthropy California, we write to express our support of H.R. 6408, the Save the Organizations that Serve (SOS) America Act. The COVID-19 (Coronavirus) pandemic is having an unprecedented impact on nonprofit organizations across the country. Nonprofits are adapting during this crisis to meet increased needs while struggling with reduced donations, additional expenses, and the need to modify government contracts due to changing and unprecedented needs. Since the Coronavirus outbreak, approximately 2.7 million Californians have filed for unemployment benefits. This massive increase in financially unstable homes across California is simply adding even more pressure on an already stressed non-profit sector. In addition, nonprofits across the country employ 12.3 million people and those jobs are at risk unless a reliable source of funding can be provided to ensure these critical organizations can continue to serve their communities.

Philanthropy California, the alliance of Northern California, San Diego, and Southern California Grantmakers, is a community of more than 600 philanthropists, foundations, and corporate giving programs who work in partnership with community leaders and nonprofits to make a difference in California. We serve as the forum for the exchanging of ideas, improving cooperation among funders, and leveraging our knowledge of community problems to tackle critical issues and achieve shared goals throughout California. Philanthropy, like other sectors, is moving to provide enhanced support and funding to nonprofits, but philanthropy alone cannot fill the financial gap currently facing nonprofits.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided necessary relief but left out larger nonprofits that employ more than 500 people. Many nonprofits operate as one entity to centralize core functions, but have paid staff operating from multiple, high-need locations. The package also included an above-the-line, universal charitable deduction of \$300 per person to incentivize charitable giving by all Americans, but more action is needed to facilitate giving, especially because traditional in-person fundraisers are no longer an option in the short-term.

As Congress negotiates another COVID-19 emergency aid package, we ask that any new legislation supports nonprofit organizations who serve our most vulnerable populations and bolster and enhance



the economy on a local and federal level. More specifically, we urge support for H.R. 6408, the Save the Organizations that Serve (SOS) America Act introduced by Reps. Seth Moulton (D-MA) and Brian Fitzpatrick (R-PA). This legislation would:

- Allow all 501(c)(3) nonprofits to qualify for the SBA loans created in the CARES Act by removing the 500-employee caps;
- Provide \$60 billion in emergency assistance loans to 501(c)(3) nonprofit organizations;
- Expand the above-the-line, universal charitable deduction by eliminating the cap and allowing taxpayers to retroactively claim the deduction in 2019; and
- Prioritize nonprofits and their employees in future unemployment insurance relief.

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.

Nonprofits across the country are showing up to work every day to provide critical services during this crisis while struggling meet payroll and cover new costs associated with different modes of providing those services. They are risking their lives to serve our neediest communities and are critical to the country's infrastructure, safety, and economic health. H.R. 6408 will assist these organizations in continuing to serve during the crisis and beyond.

If you have any questions or comments, please contact Rhiannon McAfee, Public Policy Consultant, at rhiannon@sdgrantmakers.org or by phone at 858-829-5628. Thank you for your consideration.

Sincerely,

Three handwritten signatures in blue ink are displayed horizontally. From left to right: "Debbie McKeon", "Chris Essel", and "Steve Barton".

Debbie McKeon
President and CEO
San Diego Grantmakers

Christine Essel
President and CEO
Southern California Grantmakers

Steve Barton
Acting Co-CEO
Northern California Grantmakers

CC:

Representative Seth Moulton (Author)

Representative Brian Fitzpatrick (Author)