

GOFERR Stakeholder Advisory Board

Presentations

Thursday April 30, 2020

2:00 pm

- a. Maureen Beauregard, President & CEO, Easter Seals (D.Lozeau)
- b. Russ Grazier, CEO, Portsmouth Music & Arts Center (K. Reardon)
- c. Borja Alvarez de Toledo, President & CEO, Waypoint (K. Reardon)
- d. Michael Lachance CEO, Greater Nashua YMCA (K. Reardon)
- e. Richard Ober, President & CEO NH Charitable Foundation presenting with Katherine Easterly Martey Executive Director Community Development Finance Authority (D. Lozeau)

(1) Please identify your position and your organization.

Maureen Beauregard, President/CEO Easterseals NH , ME, VT and Farnum

(2) Please identify what economic sector your enterprise operates within.

Nonprofit (human services)

(3) Please describe how your enterprise and economic sector has been impacted by Covid- 19.

Although Easterseals is a large organization, the COVID-19 outbreak has hit us hard, significantly straining our day-to-day operations and limiting the ability of our clients and families to access the critical services they need to live with health and independence in our community. We have an estimated loss of revenue of 20%, but have been working to respond to the growing impact the pandemic is having on our 12 core programs and 1,500 employees throughout NH.

Nonetheless, and although it means taking on considerable additional expenses at a deficit, we have adjusted our service approach to ensure we continue to meet community needs. For example, the closing of schools meant that our Transportation Services were no longer being utilized to drive children with special needs to public schools. Instead, buses are now delivering food and essential school supplies to children across Manchester to ensure their nutritional and educational needs are met. Our Military & Veterans Services, for which I serve as a Seacoast Chapter Member, relies on philanthropy to provide critical assistance to veterans and military families. It has been forced to cancel or reschedule several major events, which is resulting in limited funding. I was helping run one of these events, the Be Bop Gala, which was scheduled for May 2nd and was projected to raise \$600,000. Unfortunately, it has been cancelled and, due to many circumstances, was not able to be scheduled to a later date. ESNH has responded by shifting resources and incurring a significant subsidy in order to continue providing emergency financial assistance, including food, for veterans and their families.

By continuing to provide critical services such as child care and supports for seniors, ESNH is ensuring that workers considered essential under the Governor's emergency orders are able to continue to work outside of the home while we help keep their loved ones safe and healthy during this time of uncertainty. We provide holistic in-home supports for seniors and items such as nutritious food, diapers, and formula for the children in our care and help both populations with hygiene practices so that they are less likely to become ill. The children, youth, and adults served through our residential programs (Community Based Services and Gammon Academy) are living in ESNH facilities where they receive comprehensive services and care. Most are unable to attend to their personal hygiene or practice social distancing without staff support and guidance, thus our services are critical to ensuring these vulnerable populations avoid contracting the virus. Should any client present with symptoms of COVID-19, staff, with support from ESNH health care professionals, are able to provide care on-site rather than having the client go to a medical facility for treatment of mild illness.

Following CDC and state guidelines, we have closed the Oral Health Center for regular treatments but have kept it open with reduced staffing for emergency treatments only, including care for new clients and for those of low income or who are on Medicaid. We have done this in order to prevent our patients from presenting at local Emergency Rooms for treatment and to take the pressure off already stressed hospital systems. Similarly, by ensuring continuity of services, Farnum, ESNH's Substance Use Disorders treatment facility, can help ensure that those who might otherwise present to the emergency

department or require emergency treatment from first responders and/or transportation via ambulance can access the treatment they need without burdening the already overloaded health care system.

These are but a few examples of the flexible, gap-filling measures undertaken by Easterseals in response to the COVID-19 outbreak despite our current funding crisis. We remain committed to our mission and sustaining these critical services, however doing so comes with a significant cost associated with an urgent, unforeseen need to purchase additional sanitizing and protective supplies, such as critical PPE, cleaning and disinfecting supplies, and costs associated with shifting to virtual and telehealth services, the total for which is in excess of \$300,000. A simultaneous decline in utilization has greatly hurt our funding. With a state of emergency that was declared by Governor Sununu, we have also had to make the difficult decision to postpone or cancel many of our other fundraising events beyond MVS, which provide revenue necessary for the vital services that help more than 25,000 children, adults, and seniors each year.

(4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

Over the next 12 months, we anticipate a greater demand for our services as vulnerable populations continue to grapple with the effects of the pandemic, such as unemployment, social isolation, and lack of access to non-emergency medical/dental/mental health resources. We also anticipate a continued decrease in revenue due to lower utilization as well as fewer individual and corporate donations due to the economic downturn and unemployment.

(5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.

Easterseals NH has pursued a diversity of funding at the local, state, and federal level, including businesses, individuals, and foundations, to meet the aforementioned COVID-19 impacts. As this situation is recent, as well as constantly evolving, most of these applications and requests to businesses and foundations are pending as of this application date. Most of the donors who typically support us are experiencing financial hardships themselves, which has resulted in significant decreases in philanthropic contributions. Due to the scope of the need, ESNH will require additional sources of funding beyond what has been pursued.

(6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:

- (a) The funds will serve a public use and provide a public benefit.**
- (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.**

By ensuring continuity of care for some of the state's most vulnerable citizens, the funds supporting the continued operations for ESNH's critical programs will promote the general welfare of citizens including the following:

- Through our holistic case management services in multiple programs such as Workforce Development, Community Care Coordination, Farnum Center, Military & Veterans Services, and our Workforce Development Programs, ESNH is promoting the health, independence, and self-sufficiency of low income clients, thereby reducing their dependence on public benefits and the healthcare system.
- Our Adult Day Program and Homemakers Health Services programs help keep seniors, including medically fragile and low income individuals, safe in their own homes while avoiding costly, premature admission to nursing homes or institutionalization. This also allows their caregivers to continue working as well as providing respite.
- ESNH Oral Health Center is one of the only dental clinics in Manchester, the largest and most socioeconomically diverse city in the state, that accepts Medicaid and provides free and reduced cost services to ensure low income individuals can access critical oral health services.
- ESNH's two Child Development Centers is one of the few in the city of Manchester that is not only NAEYC accredited, but also accepts the NH Child Care Scholarship to ensure that disadvantaged children have the best possible opportunities to succeed academically and developmentally. The Centers are also fully inclusive for children with disabilities or other special needs.
- Our Early Supports & Services and Autism programs provide critical interventions and therapies to help children achieve optimal development, which reduces the need for special services once they enter the public school system.
- Gammon Academy, the largest special education facility in the state, is one of the few schools available for students who cannot succeed in a mainstream school setting due to developmental or neurobehavioral issues.

(c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.

Funds will enable ESNH to sustain our 12 core programs and services, which will help preserve the nearly 1,500 employees throughout the state.

As ESNH runs one of the only overnight camps for youth with disabilities or special needs (Camp Sno-Mo), fund will support social activities for this vulnerable population in a traditional camp environment.

ESNH also engages the community with volunteer and event opportunities that connect NH residents to each other while providing revenue for our critical services.

(e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.

The funds will contribute significantly to the continued operation of ESNH and its vital programs. Investment in PPE and telehealth infrastructures will allow the agency to survive similar economic and health challenges in the future.

(f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.

The use of funds by ESNH is not known to be in conflict with local or regional development plans and policies, or any other provision of state or federal law.

(g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.

With a statewide footprint serving 25,000 individuals annually, continuity of ESNH's comprehensive service array benefits the community at large by ensuring vulnerable populations have access to services that promote health, wellbeing, and self-sufficiency.

(h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

A one-time investment in ESNH will provide a financial "bridge" during this time of declining revenue and increased unforeseen expenses due to the COVID-19 crisis. We anticipate a return to financial stability once daily operations and utilizations normalize when restrictions on business is lifted.

(7) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

As a non-profit entity, ESNH is subject to Federal Cost Principles, and has a long history of full compliance. To ensure compliance, ESNH identifies cost elements in conjunction with individual "cost center" assignments, to allow isolation of expenditures for various funding streams. A senior accounting staff member serves as Grants Manager and works closely with the program staff to monitor all expenses charged to individual projects. ESNH has a culture of partnership between the program and finance managers ensuring that expenditures can be accounted for within the organization's financial statements.

(8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

ESNH is able to track outcomes and outputs by program as well as aggregated at an organizational level in order to satisfy public reporting obligations related to public relief funds.

(9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

As a comprehensive human services nonprofit, ESNH has contracts with several state agencies such as the Area Agencies and others under DHHS, including DCYF, DOE, BDAS, BEAS, and DLTSS. Should those agencies receive relief funds, it may help our organization through increases in revenue through those contracts. ESNH collaborates with many nonprofit partners throughout the state, cross referring and helping clients access needed programs and services. Therefore, any relief provided to sustain these organizations would help ESNH, our clients, and the sector at large.

(10) What would your business, agency, organization, sector do with the funds that cannot be done currently?

Public relief funds would enable us to continue and enhance programming, including:

- Provide food and cover expenses for some of the most vulnerable in our community, including children, adults, and seniors, with disabilities or special needs, as well as veterans who are part of our numerous programs.
- Financial assistance to cover the cost of necessary personal protective equipment and cleaning supplies to keep our clients and staff safe and healthy as we continue deliver critical services.
- Additional costs we are incurring to provide telehealth and at-home care for those who depend on our services for their health and wellbeing.

(11) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

ESNH, as mentioned above, is a large nonprofit that employs many people. Therefore, the agency did not qualify for the Small Business Loan opportunities provided for in the stimulus package. Similarly, many provisions are being made for hospitals and health care centers, for which Easterseals is not eligible. However, we are serving individuals on the front lines and are in need of funding to ensure we can support the health and wellbeing of some of the most vulnerable children, adults, and seniors in New Hampshire.

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

Thank you for agreeing to provide information to assist the GOFERR Stakeholder Advisory Board (“SAB”). Your contribution is critically important to allow the SAB perform its purpose of developing recommendations to the GOFERR for the allocation and expenditure of federal Covid-19 emergency funds to address fundamental needs of the State of New Hampshire.

Because the Covid-19 crisis has impacted almost everyone and every institution across New Hampshire, SAB expects to gather a substantial amount of information from many sources. In order to accomplish this task effectively and efficiently, SAB requests that all persons who submit information (including those persons who are scheduled to provide oral comments before a SAB meeting) please follow these guidelines.

The SAB is hopeful that many interested persons will submit information and ideas on how the State can best allocate federal emergency relief funds. We plan to read all comments, and for those who make oral presentations to the SAB, we intend to ask questions based on the written submissions.

There is no particular format for the comments, and but we request that you focus your comments as efficiently as possible, and try to limit the number of pages to less than 10.

In order to help the SAB members to the greatest extent possible, we request that you try to address each of the information items listed below. The SAB members have identified these information items as highly relevant to their overall task. While some commenters are likely to provide additional information, and others may not be able to address each item, we request that you try to address the following items in your submission:

- (1) Please identify your position and your organization.

**Russ Grazier, CEO
Portsmouth Music and Arts Center (PMAC)
973 Islington Street
Portsmouth, NH 03801
www.pmaonline.org**

- (2) Please identify what economic sector your enterprise operates within.

Nonprofit / Arts and Culture / Education

- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.

The COVID-19 crisis has had a significant impact on our ability to provide arts education programs for our community. While we were able to quickly pivot to online, remote learning in mid-March, we still had an immediate 20% drop in enrollment for a variety of reasons, including: newer enrollees who decided to put their education programs on hold and to wait out the crisis; families who have technological obstacles that prevent remote learning from

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taking place in the home, including a lack of computer hardware, or insufficient internet connections; families who are overwhelmed by the economic, physical, and psychological impact of the imposed isolation; students, including adults, who have difficulty with technology; music therapy clients for whom remote learning is impractical or impossible; and a few instructors who are unable to continue their PMAC work remotely either due to some of the challenges already mentioned, or because their work in the public schools has put an extreme burden on their time and ability to additionally teach after school programs at this time.

Some programs have been successful in temporarily shifting to remote learning in order to finish the spring semester, but these programs are not well-suited for long-term remote learning and will likely discontinue after May. We anticipate such programs will not resume until a vaccine is widely available. Such programs include music ensembles designed for older adults, who are at a high risk if they contract the virus. These programs involve larger groups (15 or more) singing or playing instruments together in a large room. It is well documented that activities that involve increased airflow (singing, playing wind instruments) have the potential to circulate the virus in a much more significant way if a member of the ensemble is a carrier. Due to the inability to rehearse in a virtual environment (there are technological limitations for music online), these important programs will likely be discontinued until we are completely past the pandemic, which could take two to three years or more.

Additionally, we employ several dozen professional musicians and artists. Their work at our school has become a lifeline, as they have lost all other sources of income due to the cancellation of all live music performances for the foreseeable future and the current closure of art galleries. Add to this the anticipated economic impact of the crisis on audiences and patrons and the road to recovery for artists and musicians looks to be a long one.

More than 22,000 NH citizens earn their income in the arts and culture sector. The sector represents 3.3% (or more) of the NH economy, currently greater than \$2.6 billion per year. In additions to musicians, painters, sculptors, actors, dancers, poets, and other artists, the pandemic has destroyed the incomes of presenting venues, artist managers, gallery owners, production crews, sound and lighting designers, and so many others. With the suggestion that social distancing will last beyond summer, we can anticipate additional billions of losses in the arts and culture sector nationwide.

- (4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

Portsmouth Music and Arts Center (PMAC) is anticipating a loss of \$350,000 over the next 12 months, approximately one third of our annual budget. This includes a projected 33% drop in enrollment in our educational programs, reduced public performances and community outreach, the elimination of some large group programs for older adults due to the inherent

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risks associated with such gatherings, reduced donor capacity, and a significant increase in tuition-aid need within our community. Two years ago we began an operating reserve fund, which we anticipate will be completely drained during this crisis in order to maintain as much staffing as possible. To date we've been able to maintain all but one of our employees, but the severity and duration of this crisis could lead to additional furloughs or even layoffs.

We are preparing for future shutdowns where students will be relegated to their homes for weeks at a time if a resurgence should occur. We have already incurred additional expenses to ensure our staff and faculty have the resources needed to effectively move all educational programs online. We anticipate that these costs will continue and likely grow in the coming year. Many online services (SmartMusic, Zoom, etc.) have been offered to nonprofit education facilities for free through June 30th. We anticipate a need to add the associated costs of these services to our budget going forward so we can continue to serve high-risk populations who won't be able to return to our building for some time.

- (5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.

PMAC is awaiting PPP funds. While we are anticipating we will receive such funds during this cycle, we know there is no guarantee that the loan will be provided, as the resources could once again dry up. We are hopeful that we will receive some limited, additional funding from the New Hampshire State Council on the Arts, funding that is being provided via the National Endowment for the Arts and the CARES Act. We are not sure how much the State Council will be able to award to nonprofit organizations, or how the funds will be distributed, but we anticipate that the support will be minor, but extremely valuable at this time. We are ineligible for direct funding from the National Endowment for the Arts due to our not having received funding from the Endowment in the past two years.

The New Hampshire Charitable Foundation has helped by already releasing future grant funds that were scheduled for disbursement in December 2019. As a result, we will not receive those funds in December, and will be looking for additional resources in our 2021 Fiscal year, which begins September 1st.

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- (6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:
- (a) The funds will serve a public use and provide a public benefit.
 - (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.
 - (c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
 - (e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.
 - (f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.
 - (g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.
 - (h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

The Portsmouth Music and Arts Center (PMAC) respectfully requests that the state of New Hampshire grant the organization a one-time award of relief funds in the amount of \$50,000. Our arts education programs, especially as they have moved to a remote format, provide a lifeline for our most at-risk citizens. Isolation and loneliness had already become an epidemic in NH, prior to the current crisis. The pandemic has the potential to increase the incidence of significant health issues and premature death for older NH citizens as a direct result of isolation and loneliness. Keeping the most at-risk citizens connected and engaged through arts activities and education programs can save our healthcare ten time or more of what it would cost to care for patients suffering from isolation and loneliness related ailments. In addition to the benefit received by those most at risk, the services provided to community youth and adults will have similar benefits. It is well documented that high-quality arts education programs help young people improve in their academic studies, foster community engagement, and improve overall health. The fund allotted will allow PMAC teaching artists to continue to engage with all members of our community.

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PMAC has an 18-year history of fiscal responsibility that demonstrates that a one-time emergency investment in the organization during a time of statewide, nationwide, and worldwide crisis, will yield dividends for years to come.

- (7) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

Public funds received by PMAC will be used for critical operations and community programming needs. As a one-time, emergency award, it will be used to ensure that the most important programs we provide can continue without interruption, and that our employees will be able to continue their work, reducing stress on the NH state unemployment system. We have a skilled and active board of directors and finance committee that will carefully oversee, side by side with our staff, the proper management and use of these restricted funds. We are experienced in handling restricted grants and in the past have successfully managed large grants from state funders such as the NH Community Development Finance Authority and the NH State Council on the Arts.

- (8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

PMAC has managed and reported on large grants from funders in the past (\$365,000 from the NH CDFA; \$150,000 from the Thomas W. Haas Fund of the NH Charitable Foundation; \$100,000 from Jane's Trust; \$30,000 from the NH State Council on the Arts. We will follow the same stringent guidelines in reporting the allocation of every dollar spent and its use and benefit.

- (9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

PMAC relies on local businesses for sponsorship support and in kind donations so that we can effectively raise needed funds for tuition assistance and community outreach programs. Direct aid to the service industry in Portsmouth will have a significant impact on nonprofit health in the coming years. We are depending on a full recovery of the NH economy for our long-term health.

- (10) What would your business, agency, organization, sector do with the funds that cannot be done currently?

Without these funds, we cannot guarantee that our community arts education programs will be able to continue uninterrupted, especially for citizen who are in the highest risk categories

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during this pandemic. Thank you for helping our community stay connected through arts and culture – it is what makes New Hampshire exceptional.

- (11) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

PMAC's mission is to build community through the arts. We have a long track record of success, bringing together community members of all backgrounds and life experiences to make music and art together. Our youth students work together – whether they are receiving 100% tuition-aid, or come from a home that has the resources to fully pay for their child's education. Our families and students come from every type of economic situation, from a wide spectrum of political beliefs, and from virtually every sector in our economy. Through arts participation, they are able to bond, connect, and communicate in ways they did not know were possible. In an increasingly divided and divisive culture, we need programs like PMAC that can bring together everyone, regardless of their age, economic background, political beliefs, or home circumstance. As we come out of this crisis, there has never been a greater need to build community, and that is exactly what PMAC does best.

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SAB anticipates that its members will be reaching out to diverse interests and persons to request submission of comments, and we thank you in advance for considering these requests. We are all in this together, New Hampshire!

Please check the GOFERR website for current information on how to submit comments. All recommendations and information submitted in response to this request will be available for public inspection and copying in their entirety. For further information, please contact Joe Doiron at the GOFERR offices.

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- (1) Please identify your position and your organization.
Name: Borja Alvarez de Toledo
President and CEO
Waypoint (formerly Child and Family Services)
- (2) Please identify what economic sector your enterprise operates within.
Non-Profit, Social Services
- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.
More than 70% of our services are delivered face to face, in the homes of our clients. Some of these services have converted to TeleHealth, but 20-25% of the services are not able to be realized remotely (i.e. Homecare services for seniors). This is impacting our revenue from those contracts.
- (4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.
We anticipate the following:
 - A reduction in revenue due to inability to rendered certain services
 - A reduction in revenue from fundraising sources (donations, corporate grants and events are all expected to be reduced)
- (5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.

The Nonprofit sector can benefit from CARES act in different way: SBA PPP loans, small business Debt Relief and Economic Injury Disaster Loans. In order to qualify for these programs, the nonprofit company has to employ less than 500 staff. There are several nonprofit agencies that are over that number, and there are currently no stimulus funds available to them (i.e. Crotched Mountain, Easter Seals, Catholic Charities, among others).

My company, Waypoint, has received a PPP loan, which we are using for the allowable expenses (payroll, benefits, rent and utilities) under the program to qualify for forgiveness. The program, however, is very explicit in allowing to cover those expenses for **only 8 weeks**, starting on the day in which the Loan is disbursed. Since

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most banks have been inundated with request, for many of us, the loan was received several weeks after we implemented work from home policies and incurred in expenses for employees who could not work remotely but remained in our payroll. We are potentially looking at 4 weeks of covering payroll and benefits for all of our employees, while revenue has decreased, and we are unable to use the PPP loan to cover those expenses. We would request flexibility in determining what 8 weeks are covered by the PPP loan, and potentially expanding the time frame past the 8 weeks, if we continue to require social distancing.

We have received some relief funds from Foundations and corporations, but those were intended primarily to support our clients directly.

(6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:

- (a) The funds will serve a public use and provide a public benefit.
- (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.
- (c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
- (e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.
- (f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.
- (g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.
- (h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

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Here are some ideas of potential uses of public funds for our sector:

1. Support to nonprofit agencies that were unable to qualify for the Cares Act for SBA, because their organization is over the 500 employees cap. All of those organizations provide critical services to vulnerable populations and it will be in the best interest of the community and public.
 2. Support expenses in IT that have been incurred by the sector to be able to work remotely. Our agency, Waypoint, was not equipped to be able to have all its employees work from home. We have had to purchase laptops, connectivity for staff that did not have Wi-Fi, cell phones, and incurred in additional consultation fees from IT professionals. Those costs are not covered by the PPP loan and have been critical to continuing to provide our services remotely.
 3. Most nonprofit organizations rely on fundraising activities. Our company, Waypoint, receives 12% of its total budget from grants/donations/fundraising events. Although it is hard to anticipate how those fundraising activities are going to be impacted, we know that businesses are also looking at reducing expense, and often their charitable contributions are eliminated or significantly diminished. Events, that congregate large groups in confined spaces, are probably not going to happen for a long time. These funds are necessary for running agencies and/or services, and their reduction might ultimately have a significant impact in what programs get eliminated.
 4. We are anticipating, once things return to a certain degree of normalcy, an influx of clients that have not accessed services during the crises. We know child protection reports are significantly down, while we are aware that more cases of Domestic Violence and abuse and neglect are going undetected. The same is true for other services, like seniors receiving Homecare... We are anticipating many more referrals that we, as a sector, will be able to respond to. It would be extremely helpful to be able to use funds to hire staff in preparation for the increase in referrals. It is imperative that we, as a state, are able to respond to the demand that is anticipated.
 5. New Hampshire is the only state in New England without a shelter for youth. Waypoint has been serving runaway and homeless youth for many years, and the lack of a safe shelter has been a concern of ours for a long time. It is more imperative than ever to find a safe shelter for youth, as many were couch surfing (from friend to relative..) and those options are no longer there, as families are reluctant to expose themselves to youth who have been on the streets. It would be a very use of funds to find a housing alternative for these youth.
- (6) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

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Our organization is setting up a distinct cost center for all Covid-19 related funds. In that specific account we will be able to separate revenues by source. We will be able to differentiate funding received from federal, state, local or charitable sources. Expenses associated with Covid-19 relief funds would also be easy to track and report on.

- (7) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

We will be able to easily report on funds received and document how the funds were used in support of different aspects of the organization's services and/or infrastructure.

- (8) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

The slowdown of economic activity in New Hampshire is already creating significant variances in revenue projections. Health and Human Services, which funds most of Waypoint's contracts, has been recently infused with significant additional funds to respond to the needs of NH citizens. It is important that HHS remains appropriately funded, as there are increased needs and additional suffering derived from Covid-19.

Child Care Centers will need support to return to normal operations. The margins of those institutions are really thin and are based on maintaining a specific census (number of children attending the childcare center each day). As social distancing will remain a practice for quite some time, it is possible that childcare centers will see an initial reduction in the number of children attending the centers. It is important to support the childcare sector so parents can go back to work, and some relief from the state might be necessary.

- (9) What would your business, agency, organization, sector do with the funds that cannot be done currently?

Addressed in question 6

**Guidelines for Written Comments
to the GOFERR Stakeholder Advisory Board**

- (10) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

* * * * *

SAB anticipates that its members will be reaching out to diverse interests and persons to request submission of comments, and we thank you in advance for considering these requests. We are all in this together, New Hampshire!

Please check the GOFERR website for current information on how to submit comments. All recommendations and information submitted in response to this request will be available for public inspection and copying in their entirety. For further information, please contact Joe Doiron at the GOFERR offices.

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

Thank you for agreeing to provide information to assist the GOFERR Stakeholder Advisory Board ("SAB"). Your contribution is critically important to allow the SAB perform its purpose of developing recommendations to the GOFERR for the allocation and expenditure of federal Covid-19 emergency funds to address fundamental needs of the State of New Hampshire.

Because the Covid-19 crisis has impacted almost everyone and every institution across New Hampshire, SAB expects to gather a substantial amount of information from many sources. In order to accomplish this task effectively and efficiently, SAB requests that all persons who submit information (including those persons who are scheduled to provide oral comments before a SAB meeting) please follow these guidelines.

The SAB is hopeful that many interested persons will submit information and ideas on how the State can best allocate federal emergency relief funds. We plan to read all comments, and for those who make oral presentations to the SAB, we intend to ask questions based on the written submissions.

There is no particular format for the comments, and but we request that you focus your comments as efficiently as possible, and try to limit the number of pages to less than 10.

In order to help the SAB members to the greatest extent possible, we request that you try to address each of the information items listed below. The SAB members have identified these information items as highly relevant to their overall task. While some commenters are likely to provide additional information, and others may not be able to address each item, we request that you try to address the following items in your submission:

- (1) Please identify your position and your organization.**
 - a. CEO, YMCA of Greater Nashua
- (2) Please identify what economic sector your enterprise operates within.**
 - a. Non-profit
- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.**

The YMCA of Greater Nashua operates three full facilities and a 22 acre day camp serving the greater Nashua region. Here are a few facts on how we have been impacted.

- a. As of February 29th we had 10,612 memberships equating to 25,367 individuals active in our organization. We have 1,600 of these members that we are paid by their insurance company based on the number of visits to the Y. Between now and August 31st we anticipate a drop of 50% paying memberships and a loss of \$1,330,000 in revenue.
- b. We had more than 17,000 visits the week of March 1-7th, which is an average week of usage at this time of the year.
- c. All programs were suspended on March 16th.

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

- d. Our three facilities were closed on March 17th
- e. We laid off 332 part time employees on 3/21 and 68 full time employees on 3/27.
- f. We have our three largest fundraising events scheduled in May and June this year and all three have been canceled. This equates to a loss of \$210,000 in revenue.
- g. Our annual campaign is projected to fall \$100,000 short of projections
- h. The last day for our child care programs was on March 13th and we had 420 children enrolled in our early education center and 173 in our school age child care program. On March 23rd, we opened an essential worker child care program serving 12 children (primarily hospital and first responder staff). Today the program has 52 children, well below the 500+ we had on a daily basis in early March. Our summer camp program is projected to drop 50% from last summer due to social distancing guidelines, unemployed parents and other COVID-19 factors. The expected revenue loss for programs between March 16th and August 31st is projected to be \$2,529,000.
- i. Collectively, this is a total of \$4,020,000 in lost revenue on our total annual budget of \$14,329,000.

Across the State of NH, we have 9 different YMCAs providing services and the impact of closure is devastating. Four of the Ys are currently operating child care for essential workers in their community. Operating the programs are critical to our communities, but have a negative impact in terms of expenses over revenue. Approximately 1,000 employees were laid-off / furloughed since the closures.

(4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

COVID-19 will continue to have a significant impact on the organization and we know that we need to adapt. I believe we will see multiple waves of the virus hitting NH in the next 12-18 months resulting in “Stay at Home” executive orders or a decision for businesses to close or programs to be suspended. The Y has served the Greater Nashua community for 133 years and has always adapted to meet the needs of area residents and we are focused on continuing to making that happen. Outside of the essential worker child care program we have several programs operating to support area residents virtually through educational, social and wellness programs in addition to support groups to provide a connection with some of our vulnerable populations. We are also partnering with other organizations to provide fresh produce to address food insecurity as well as hosting blood drives in our facilities. Most blood drives have been canceled across the country and there is a severe

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blood shortage at this time. None of the programs outside of the essential child care are generating any revenue at this time.

We know that we will not be able to operate the same way we have in the past. We will need to reduce the number of people in our facilities and in our programs. We have had to increase our staff to child ratio due to “gathering” size restrictions of 10 which reduces revenue and increases staffing costs. I expect the group size restriction to loosen up, but it will still be very difficult to financially run many programs over the next 12-18 months. I believe that many child care centers in NH will not be able to reopen because of the current financial impact and their inability to have the necessary operational efficiencies.

We know that we will not be serving 17,000 people a week in our facilities, we will need to develop better virtual offerings and connect with people in a different way. The vulnerable populations are most at risk for both health issues from the virus and social isolation and we need to solve that problem. Many individuals we serve get their only social connection at the Y.

I realize that I will have many workers who no longer want to work closely with other individuals in a social setting, until we have a vaccine in place. I know I will struggle to find individuals willing to work certain jobs, I am already dealing with it in child care. The majority of my 75 full time teachers are afraid to work right now.

I will need to invest and incorporate new technologies to serve our community. I know that over the next 12 months I will need to heavily invest capital dollars for “touchless” devices for our facilities. This will include: sinks, hand dryers, switches, doors and much more. I have equipment in my facilities that is spaced very tightly to maximize usage. I know this will need to change and I will need to eliminate at least 50% of our equipment without reducing my lease commitment for the next three years.

Our land lease, mortgages, and other fixed costs will not be reduced and will become a financial burden. I can reduce personnel and supply costs, but many others are fixed and were based on revenues that may end up being 50 -60% of those planned for 2020.

Across the state, the YMCAs are responding to the needs in their community with blood drives, food drives and distribution, wellness checks for seniors and other vulnerable populations, assisting school districts with remote learning, support groups for those at-risk in virtual settings and more.

In our sector there will be many non-profits that are not able to recover and reopen because of their inability to financially institute all of the new guidelines that will be

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

required. It would require additional staff or technologies that does not work financially for a small organization. I expect to see a significant number of mergers taking place between non- profits and some new gaps in service identified.

- (5) **Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.**

We have received an SBA PPP loan, a \$1,000 grant from the local United Way, 120 of our members have converted their Y membership to a donation and we have continued our annual campaign since the COVID-19 issue arose. The NH Charitable Foundation has offered to send us next year's scheduled gift a year in advance to support us at this time. We have received donations of masks, hand sanitizer and other related necessary items from the United Way, community members and the state of NH. We have received support from the State of NH to address the compensation of our essential worker child care teachers. We are being supported with \$5 per hour for each teacher, which helps to address them actually making less than their peers collecting unemployment. The \$600 per week stimulus payment through unemployment is actually benefitting people better than if they were working. The \$5 per hour rate, still does not make up the difference. The state is also supporting the lost revenue of children we have subsidized in our child care programs.

Within our sector, we see a mixed response. Many people understand the issue non-profits are dealing with right now and want to help. Some want to help by volunteering in a safe manner and others are willing to contribute financially. Some organizations have not found a solution to involve volunteers outside of their normal face to face contact engagement, but will need to do so. Other organizations have implemented new ways to engage their clients to continue their needed services.

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to the GOFERR Stakeholder Advisory Board**

- (6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:
- (a) The funds will serve a public use and provide a public benefit.
 - (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.
 - (c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
 - (e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.
 - (f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.
 - (g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.
 - (h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

In the past six weeks many businesses have been able to effectively figure out a way to have some employees work remotely from home, but for most that does not work. NH Businesses need the employees and most need them working at the business. When the schools and child care centers closed it created a devastating impact on any business that was able to stay open. If you want a fully functioning economy you need to solve the child care issue for families. It needs to be affordable for all families and organizations providing care need to be able to pay teachers / staff a fair wage. With the new guidelines for group sizes along with age appropriate staff / child ratios many centers will not reopen and therefore employees will not be able to work. We can have everything else in place in the state, but with limited care we will never get back to a strong economy. This extends to summer camp programs as well which may be even more critical because it is during the non-school portion of the year when families need full-day care. The current reimbursement rate model by the State

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

of NH was already a struggle for child care centers and it will be magnified with increased staffing and cleaning costs. When you compare the reimbursement rate to other states against the median income for different counties in our state we are off the mark. Additionally, centers are penalized for accepting state subsidized children because they take a spot in the program and the center is paid for hours attended. If 1 child misses a day, is late or leaves early the center is not paid; but is still paying the staff to be there and the other associated expenses to run the program.

Three options to make this work include:

- a. Reimburse each center \$5 per hour for each employee they have employed as a teacher / administrator.
- b. Increase the reimbursement rate for each state subsidized child to cover a full week while they are enrolled in the program.
- c. Reimburse centers the lost revenue due to new guidelines which requires fewer children served and increased staffing.
- d. Reimburse centers the average monthly lost revenue that they had the three previous months prior to the COVID-19 closure vs each month for the next 12 months or until any CDC or licensing guidelines are removed / reduced.

My second idea is to invest in businesses via a capital investment fund that either improve the safety of staff and / or clients or reduce on-going expenses to the business. By improving the safety of employees and / or clients you are able to encourage activity at that particular business. I am thinking along the line of physical improvements such as touchless devices (sinks, toilets, doors..), partitions / dividers and other investments to reduce health risks. The other half of this is utilizing funds to reduce on-going expenses to the business. In some cases it may be an energy efficiency investment such as LED lighting, solar, VFD motors or similar project that supports the long-term sustainability of the business and can be a difference maker over the next 12-24 months.

(7) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

For our organization it would most likely be reflected as a grant on the associated grant revenue line.

Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board

- (8) **Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.**

We would treat the funding report the same way we do for other grants or restricted funding from our supporters. In our sector, non-profits organizations are accustomed to reporting on funding received to deliver services or off-set expenses.

- (9) **Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.**

See my response in question # 10.

- (10) **What would your business, agency, organization, sector do with the funds that cannot be done currently?**

I see a number of ways in which the funds can be used by our organization and others in our sector. We are dealing with vulnerable populations and many of them with barriers with limit their ability to be easily served. In some cases it is transportation, health risk or meeting their basic needs. It may require our staff going to them in some cases and moving services “Beyond the Walls” of our organizations. Some organizations will need support for this new model.

Every business will see a significant increase in the cost to protect their employees / clients as it relates to PPE, cleaning supplies / costs, capital investments for “touchless” devices and social distancing steps (signage, partitions...).

- (11) **We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn’t received much attention? N/A**

* * * * *

SAB anticipates that its members will be reaching out to diverse interests and persons to request submission of comments, and we thank you in advance for considering these requests. We are all in this together, New Hampshire!

Please check the GOFERR website for current information on how to submit comments. All recommendations and information submitted in response to this request will be available for public inspection and copying in their entirety. For further information, please contact Joe Doiron at the GOFERR offices.

COMMENTS TO THE GOFERR STAKEHOLDER ADVISORY BOARD

April 30, 2020

1. Please identify your position and organization

Richard Ober, President & CEO
New Hampshire Charitable Foundation

Katy Easterly Martey, Executive Director
NH Community Development Finance Authority

New Hampshire Charitable Foundation (NHCF) is a 501-c-3 public charity established in 1962 as a statewide community foundation. NHCF manages more than 2,000 individual charitable funds established by individuals, families, businesses, and nonprofit organizations. NHCF is the largest non-governmental funder of New Hampshire nonprofits and the largest source of publicly available student aid in New Hampshire.

In 2019, NHCF awarded more than 5,000 grants to 2,087 nonprofit organizations totaling \$42.1 million, 72% of which went to NH based nonprofits. NHCF also awarded 1,896 scholarships totaling \$6.6 million, 90% of which supported NH students. NHCF is governed by a 14-member Board of Directors, has a staff of 52 professionals, and is advised by eight Regional Advisory Boards representing every part of the state. NHCF files annual Form 990 tax returns with the IRS, which lists every grant made, and we post the return on our website (www.nhcf.org) We file annual reports with the Secretary of State and are regulated by the Charitable Trusts Division of the Department of Justice.

The Community Development Finance Authority (CDFA) is a state-chartered, independent community and economic development entity serving all of New Hampshire. We provide a variety of financial resources, including the competitive deployment of grants, loans and State tax-credit equity. CDFA resources enable our partners to identify a community need, explore ways to meet that need, and ultimately, develop and implement a solution.

In 2019, CDFA invested \$16 million in grants, tax credit equity and loans into dozens of New Hampshire communities. Those investments supported eighty separate projects, affecting nearly 200,000 people. CDFA funding touched down all over the state, resulting in new and rehabilitated housing; new jobs and stronger small businesses; more efficient, comfortable and resilient buildings; and significant energy savings. CDFA annually manages public resources and is regularly subjected to public audits and monitoring, and all are routinely positive. CDFA is governed by a 11-member Board of Directors which is appointed by the Governor and Council and the Community Development Block Grants Program is advised by a publically appointed Advisory Committee.

2. Please identify what economic sector and your enterprise operates within.

The NHCF operates in the nonprofit and philanthropic sectors. The CDFA operates in the nonprofit and government sectors.

The broader nonprofit sector:

- Accounts for 15% of all jobs
- Accounts for 14% of NH's GDP
- Has combined revenues of \$11 billion
- Nonprofits range in size from grassroots all volunteer-run to large agencies with hundreds of employees and multimillion dollar budgets
- Serves all areas of public interest, for example
 - Human Services - 32.4%
 - Education - 17.5%
 - Arts and Culture – 12.0%
 - Environment 7.2%

See "In Brief" from the NH Center for Nonprofits: <https://www.nhnonprofits.org/2019report>.

3. Please describe how your enterprise and economic sector has been impacted by Covid- 19.

NHCF

Since March 1, 2020, New Hampshire Charitable Foundation has seen an unprecedented increase in requests for funding and has responded by more than doubling the number of grants made over the same period last year. See more detail in question 5, below. Through March 30, the NHCF's invested charitable assets had declined in value. The good news is that the impact of that decline on our grantmaking capacity will not be felt immediately. NHCF distributes many of our grants based on a 5-year average of the value of our assets. That is intentionally designed for us to be strong in a down economy, when nonprofits and the state most need us. However, the demand for funding will outstrip by orders of magnitude our capacity to respond.

CDFA

CDFA's current response is focused on three areas:

1. Providing flexibility for our existing Grantees and Borrowers, [information here](#),
2. Shifting existing resources including U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) resources and executing on plans to rapidly deploy additional CDBG resources to meet immediate needs and plans for rebuilding, and
3. Created the [NH Nonprofit Response Fund](#) to meet the immediate needs of NH's nonprofits.

Nonprofit Sector:

It is the broader nonprofit sector that we are most concerned about. It is impossible to overstate the impact of the crisis. Nonprofit organizations in New Hampshire provide public benefits to nearly every resident of the state – from nonprofit child care centers to after-school and camp programs, theaters and museums to public radio and television, environmental groups that sustain our lakes and natural landscapes, and more.

Hundreds of nonprofit organizations are on the front lines of the Covid-19 crisis serving the most vulnerable: treating the sick, feeding those who have lost jobs, delivering meals to seniors, caring for

kids whose parents are essential workers. Nonprofits shelter people experiencing homelessness, care for those with disabilities, counsel people with addiction and mental illness. Organizations have had to step up to meet urgent needs, often with fewer staff and up to 70% loss of revenue. Many have lost earned revenues (program enrollment, ticket sales, etc.) and charitable giving revenues as they have had to cancel fundraising events.

These dire economic losses affect nonprofits from across the spectrum – including health and human service organizations, youth serving groups, and the arts and culture nonprofits that are such a vital part of the economic vitality of our downtowns.

It is difficult to estimate the aggregate financial damage of the Coronavirus crisis on the entire sector, but recent surveys by the NH Center Nonprofits show:

- 92% have experienced loss of revenue – average of 34% of revenue
- 89% have cancelled programs and events, including fundraisers
- 45% of nonprofits in human services have experienced an increased demand for services
- 61% have suspended some operations
- 22% have suspended all operations temporarily
- 44% have increased some operations
- 45% have instituted layoffs, including 71% of arts organizations

Charitable giving from individuals, foundations, and businesses provides the life blood for many of these organizations. We don't yet know the impact of Covid-19 on charitable giving -- but in the crash of 2008, donations declined by 25 percent and stayed substantially lower for years. When individuals lose work, or see the value of their 401(k) plummet, they give less. When businesses shutter or lose income, they have little to donate or to provide in sponsorships.

4. Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-10

NHCF: As noted, the Charitable Foundation will be able to sustain its operations over the next 12 months because our financial and operating model is designed to be strong when the state and our nonprofits need us most.

CDFA: CDFA's assets and revenue are stable and CDFA will be able to sustain its operations over the next 12 months. The organizations has a history of responding to the community economic development and nonprofits needs in disasters and times of crisis and will be able to meet the State's need during this crisis.

Nonprofit sector:

The next twelve months will be exceedingly difficult for most nonprofit organizations in New Hampshire. NH nonprofits operate on thin margins -- 57% reported having less than 3 months of cash on hand in 2018, which has probably already been depleted. We anticipate that many

nonprofits may not reopen once emergency closures are relaxed, and many more are at risk of further layoffs, program reductions and ultimate closure as the economic downturn continues.

Most importantly, layoffs will continue, access to critical services will not be able to meet demand, and essential community organizations that care for our most vulnerable and fuel our economy, will close, some of them for good. Quick, targeted access to Coronavirus Relief Funds will ameliorate these impacts.

Unlike for-profit businesses, there is often an inverse ratio between demand and revenue for nonprofits, especially in human services: When more people need services there are fewer revenue sources to meet the demand. Physical distancing measures, even if relaxed, are expected to impact attendance at nonprofits events and programs for the foreseeable future, thereby reducing earned revenue further. Without significant additional infusion of funds, the ability of the sector to serve the public will be severely impacted, and many organizations that people count on for a wide range of human services may not survive at all.

- 5. Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.**

NHCF On March 20, the New Hampshire Charitable Foundation launched the Community Crisis Action Fund to respond to the COVID-19 pandemic. To date, nearly \$3.5 million in charitable contributions has been raised to support critical work in our communities and every penny contributed to the fund will go to the community. In response to COVID-19, the Charitable Foundation has made more than 500 grants totaling \$5.2 million. This is more than double the amount of grant dollars awarded in the same period last year. The United Ways have also opened emergency funds. However, private philanthropy alone cannot begin to make up for the declining revenue and growing demand for services that threatens to overwhelm the nonprofit sector. The combined output of all NH-based foundations, corporate giving programs, and United Ways is less than \$70 million – that is a fraction of the budget of just one major health care system.

CDFA and BFA established the NH Nonprofit Response Fund, funded in part by contributions from the business community, is providing nonprofit organizations with critical resources of up to \$100,000 to meet the needs of NH's most vulnerable residents and those on the front lines of the pandemic. Our communities are strong and resilient, and public private partnerships characterized by this Fund fuel meaningful solutions to NH's most significant challenges.

In one week, the NH Nonprofit Response Fund has received over 35 Applications. Applications for forgivable loan funds request six times the Funds available, and the total requested is over \$1.7 million dollars. In addition to the NH Nonprofit Response Fund, CDFA awarded more than \$3 million since March 15th. An additional \$3 million dollars of committed funds was made available to Grantees leading to significant impacts including,

A childcare and family service provider maintained key organizational infrastructure with new grant flexibility using CDFA's existing resources that has helped the organization continue to serve those who need them most. The organization was designated an emergency child care facility and has re-opened two sites to children of essential workers. In addition, staff are operating three soup kitchens serving over 1,000 meals per week, implementing virtual programming for members and worked tirelessly to find more resources for families, like milk and groceries.

Some nonprofits receive public grants and some deliver services under contract with municipal and state government. It is estimated that 20 percent of New Hampshire nonprofits applied for Payroll Protection Program loans through the SBA.

Some subsectors have access to additional Coronavirus federal funds, which are helpful but insufficient to address the losses and the broad range of needs. By way of example, \$6.9M in Child Care Development Block Grant funds will help child care centers, essential for our workforce, but won't come close to covering the costs of operating at the reduced enrollment levels dictated by public health requirements. And the food aid from the Federal Emergency Assistance Food Program is also helpful, but does not provide funding to address the gaps in the food security system. The state also received \$427,000 in National Endowment for the Arts funding under the CARES Act; but as this Board heard in earlier testimony, this amount is less than a third of the lost income due to Covid-19 from a single arts organization. Funds from the Coronavirus Relief Fund, swiftly and well-deployed, will fill important gaps and resource the full range of nonprofits necessary to address the public health and economic impacts of the crisis. Any process for distributing funds should of course include a full assessment of any other funds received as part of the application process.

6. Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals

The New Hampshire Charitable Foundation and the Community Development Finance Authority strongly recommend that the state apportion a significant allocation from the Coronavirus Relief Fund to establish a dedicated Nonprofit Relief and Recovery Fund (the "Fund.") The Fund should be designed and administered to meet the unique needs of myriad nonprofit organizations as they mitigate and reduce the health, economic, and social impacts of the epidemic in every community in New Hampshire.

The Fund could address both costs and losses incurred by nonprofits as a direct result of Covid-19, and resources to help nonprofits meet important community needs and expenditures that directly result from Covid-19. Both types of support will be critical to serve the NH public that relies upon and benefits from the work of nonprofit organizations.

We suggest a minimum allocation of \$125 million, with \$75 million in 'relief' funds to be distributed within four months of establishing the fund, and \$50 million for 'recovery' funds to be allocated in

the fall. This should be in addition to allocations for hospitals, higher education, publicly supported housing programs, and other critical systems under consideration by GOFERR. The total revenue loss of the sector is estimated to be in the range of \$1.4 billion. Considering that the sector plays an outsized role in the response to the pandemic, and that it employs 15% of the workforce – and 35,000 workers (42% of the total) are employed in parts of the sector other than hospitals or higher education -- \$75 million in immediate relief and \$50 million for recovery is proportional to the sector's place in the economy, and is the minimum necessary to address direct losses and costs sufficiently to empower nonprofits to meet their public interest missions in this moment of greatest need.

The sections below are intended to address items 6 (a) - (h)

Nonprofit Relief and Recovery Fund: Public benefits and purpose

In this section, “nonprofits” refer to tax-exempt public charities that operate exclusively for public benefit under section 501-c-3 of federal tax code. Nonprofits file annual reports with the NH Secretary of State and Form 990 tax returns with the Internal Revenue Service, and are regulated by the Charitable Trusts Division of the NH Department of Justice. They are governed by volunteer boards with significant fiduciary obligations and staffed by experienced professionals. Purposes of the Fund could be, for example:

Purpose 1: Make grants to individual nonprofit organizations to mitigate the critical public health and economic impacts of the crisis on residents who rely on nonprofits for food, shelter, health care, and other human services.

A partial list of eligible applicants would include but not be limited to food kitchens, homeless shelters, community health centers, child care providers, family resource centers, youth serving agencies, organizations that serve veterans, developmentally disabled residents, residents in treatment or recovery for substance misuse, victims of domestic violence, and refugees and immigrants.

Purpose 2: Make grants to individual nonprofit organizations that contribute to economic and civic vitality to reimburse the costs of business interruptions caused by required closures, and sustain their ability to contribute to the state's recovery from the impacts of the coronavirus.

A partial list of eligible applicants would include arts organizations like the local theaters that drive economic activity on Main Streets, conservation organizations that provide safe outdoor places for people to recreate, nonprofit news services that deliver timely and sometimes life-saving information about Covid-19, civic organizations that unite people across difference to find solutions.

Purpose 3: Make grants to coalitions, networks, and collaboratives of nonprofits to maximize cooperation and impact, as well as speed in distributing funds to meet urgent needs.

Contribution to the continued operation, resiliency, and employment opportunities

Grants from the Fund would enable nonprofit organizations to continue to serve tens of thousands of New Hampshire residents that have been impacted by the coronavirus epidemic. Grants would help address lost revenues, allowing nonprofits to retain key staff, cover the direct expenses of delivering services during the Covid-19 crisis, sustaining critical organizations so they are able to serve New Hampshire through the crisis. Without these funds, many nonprofit organizations will not be able to deliver the public benefits of their services in the future.

Structure, governance, and criteria

The Nonprofit Relief and Recovery Fund could be administered and distributed through a partnership of the Community Development Finance Authority, the New Hampshire Charitable Foundation, and the NH Center for Nonprofits, in close collaboration with other funders.

Collectively, these three organizations have complementary expertise and experience in assessing community needs and helping provide nonprofit organizations build capacity. The NH Center for Nonprofits provides technical assistance and coordination for the sector, and is skilled at identifying needs. NHCF and CDFA are deeply experienced and skilled in reviewing grant proposals, processing grants, and evaluation. We have systems and technology in place to manage thousands of grant applications, ensure that the funds are distributed effectively, swiftly, transparently, and to meet the greatest needs. We are accountable to public regulators and boards of directors. The three primary partners would collaborate with other funders to maximize leverage and coordination.

The Fund could be governed by a Fund Committee with staff and board representatives from the three primary partners and other organizations skilled at assessing and meeting the needs of nonprofit organizations. Both CDFA and NHCF are experienced at establishing such committees.

The Fund could be administered under criteria and rules to include compliance with:

- Existing state and federal law and rules, municipal policies, and regional development plans
- Current and forthcoming federal guidelines in the CARES Act
- Directives from the Governor's Office for Emergency Relief and Recovery as advised by the Legislative Advisory Board and Stakeholder Advisory Board
- Any additional goals, criteria and rules established by the legislative or executive branches

Within those criteria, the Fund Committee would identify the highest priority needs and establish specific funding priorities.

The Nonprofit Relief and Recovery Fund would accept proposals from nonprofit organizations qualified to deliver services that meet those funding priorities. Applicant organizations would have to meet the following:

- Registered as 501-c-3 tax exempt public charities in good standing with the Secretary of State and the Charitable Trusts Division
- Recent acceptable audits or management letters or other assessments of financial health as appropriate to the crisis

- Compliance with federal rules including audits as required

7. Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

That would depend on which organization directly administers the grant payments. CDFA and NHCF have systems in place to account for and track every grant that is made according to requirements set forth by state and federal laws and policies.

8. Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

That would depend on which organization directly administers the grant payments. CDFA annually administers Federal Funds on behalf of the State and therefore is regularly subjected to Federal audits and monitoring. NHCF has systems in place to report to regulators, undergoes comprehensive annual audits by certified public accountants, and would follow any additional reporting requirements. An easily accessible public reporting platform and dashboard could be established to report on all grants on a monthly, quarterly, and annual basis. The report would include the name and address of the organization, communities served, and the amount and purpose of grant. Grantees could be required to submit more detailed reports as well. Grants could also be accessible on an interactive map.

9. Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

The nonprofit sector is highly reliant on state government and the state budget for both contracts for services as well as public assistance to the populations they serve. The Fund would be open to all qualified nonprofit organizations and managed in coordination with other funders for maximum impact and collaboration, expecting funding for hospitals and higher education institutions would be addressed out of other funds, as noted.)

10. What would your business, agency, organization, sector do with the funds that cannot be done currently?

Without a significant pool of funds for the nonprofits whose needs are not addressed by other relief funds, many of the organizations that NH residents rely upon for a host of public benefits - including core services to the most vulnerable among us - will struggle to meet demand, and some will close altogether. Our state would be unrecognizable without the nonprofits that care for us and enhance our collective wellbeing. And those across our state who are suffering the most in these difficult times would lack the care and supports that they urgently need.

11. We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

Because of all the urgent needs today and over the coming few months, no one has yet had much opportunity to devote much attention to the longer term damage this crisis will cause. Under the best case scenario recovery will take some time. Those young people who were already furthest from opportunity may have lost more ground. More mental health and substance misuse issues may manifest. Sadly, domestic violence and child abuse may well rise. And we may face a new resurgence of the pandemic in the fall/winter. It is critical that we include the voices of those affected by the crisis in the work, and that we work to address longer term affects of Covid-19 as diligently as we are working to address the immediate crisis now.