**United Way of New York State**

**Testimony Presented to the following Committees:**

**Senate Standing Committee on Commerce, Economic Development and Small Business**

**Senate Standing Committee on Finance**

**Senate Standing Committee on Agriculture**

**Senate Standing Committee on Banks**

**Senate Standing Committee on Insurance**

**Assembly Standing Committee on Small Business**

**Assembly Standing Committee on Ways & Means**

**Assembly Standing Committee on Agriculture**

**Assembly Standing Committee on Banks**

**Assembly Standing Committee on Insurance**

**Office of State-Federal Relations**

**Task Force on Food, Farm & Nutrition Policy**

**Regarding the federal response to the economic impact of the COVID-19 pandemic on small businesses in New York State**

**Submitted By:**

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Silent in the back of this pandemic, as often the case with natural disasters and other emergencies, are Non-Profit organizations that ensure everyday New Yorkers have the means they need to care for themselves and their families. This pandemic, in a very short amount of time, has had broad and significant impacts to every New Yorker. It is here, that United Ways and other Non-Profit partners are working around the clock to ensure that New Yorkers have food on the table, the supports and services they need to care for their children and loved ones, and have important resources to navigate extremely trying financial situations. These Non-Profit organizations are the ones in which the community has learned to turn to when they are in need. Our testimony today will focus on how the state can continue to support our Non-Profit sector, a sometimes forgotten, or perhaps just overlooked, oftentimes small business sector in the state.

**Local United Way Response:**

For over 130 years, United Way has been on the front lines of disaster response, delivering high-demand resources to communities in need and providing individuals with personalized help in crisis situations. United Way has taken significant steps to address community needs during this time of unprecedented global crisis.

By collaborating with the Center for Disease Control and Prevention (CDC), health departments, state agencies, first responders and community partners, United Way is tracking and filling resource gaps and providing real-time guidance, information and data on COVID-19 to the public through the [211 network](https://211nys.org/).

To date, **United Ways in New York State have raised close to $20 Million** in COVID-19 related funds. Donations from the various local funds are helping the most vulnerable populations receive critical financial and social service support during this global crisis. Click [here](https://uwnys.org/united-way-ny-covid-19-ny-response/) for a complete list of COVID-19 funds in NY.

The top three additional ways Local United Ways are assisting NYers are:

* **Food Access and Distribution**, including food drives, recruiting volunteers for delivery of food and meals to home-bound individuals, feeding front-line critical staff in health care and childcare facilities
* **Procurement and distribution of critical supplies**, including paper goods, cleaning supplies, diapers, formula, personal care items, masks for workers and more
* **Coordinating information** and service delivery among numerous Non-Profits in local communities, many with Non-Profit specific information hubs and technology solutions.

Here are just a few examples:

WATERTOWN — United Way of Northern New York (UWNNY) continues to rapidly increase the scale of operations to deliver critical goods to community nonprofit organizations throughout the North Country. Thirty organizations from Jefferson, Lewis and St. Lawrence Counties are participating in the program, which provides critical items at no cost to dozens of rural and urban communities. With the first distribution of 12,000 items on March 30, the program dramatically increased issued products by 150% to nearly 18,000 items on April 6. Through a partnership with UWNYS, United Way Worldwide and Cottonelle- a truckload containing 73,000 rolls of toilet paper were donated and distributed through the north country. Merchandise has included vast amounts of baby formula, baby food, diapers, baby wipes, rolls of toilet paper, household cleaning products, personal protective equipment and more. UWNNY is also assisting with procuring critical items to support hospitals and senior care facilities.

ROCHESTER – Non-Profits throughout the region are working to keep their staff and clients safe and healthy during the COVID-19 pandemic — and they need help. Based on the recommendations from the CDC for all people to wear face coverings/masks in public spaces, there is an increased demand for homemade face coverings/masks. United Way of Greater Rochester (UWGR) is recruiting Mask Makers to make and donate 50,000 masks to keep Non-Profit staff and clients safe through their Monroe Mask Maker effort.

NEW YORK CITY – United Way of New York City (UWNYC) is mobilizing their broad network of over 600 community-based partners throughout the City to provide assistance to families to weather the COVID-19 crisis. This network of community partners are providing direct services through our [ReadNYC](https://unitedwaynyc.org/readnyc/), [FeedNYC](https://unitedwaynyc.org/feednyc/) and [StrengthenNYC](https://unitedwaynyc.org/strengthennyc/) programs.

In this uncertain time, many pantries and soup kitchens will be overwhelmed and face financial disruption. UWNYC has the ability to reach hundreds of thousands of people in need, in real time, through their [Plentiful App](https://www.plentifulapp.com/). This ground-breaking technology helps connect food insecure New Yorkers with food and benefits immediately and allows us to connect with people in this time of crisis.

UWNYC is also providing and sustaining remote learning for students. Principals, teachers and families need help NOW. We can help teachers and principals reach their families and provide critical and ongoing resources like learning, food distribution and social work supports.

BUFFALO – United Way of Buffalo and Erie County worked with multiple partners to launch the WNY Philanthropic Response Coordinating Workgroup, a regional collaborative designed to assist those who are working tirelessly to meet the needs of people affected by COVID-19. Through this group, they administered a WNY regional nonprofit survey on behalf of the philanthropic community. With over 300 respondents, the survey is providing vital data to help identify needs of service providers on both a short term and longer term basis.

KINGSTON - United Way of Ulster County administers Project Resilience- a county led initiative, which includes 180 restaurants and food service providers working collaboratively with local municipalities to provide meals to local residents in need. To date, 33,000 meals have been delivered to more than 2,600 households, with about 2,500 meals per day.

In New York, we know that 45% of residents are not able to meet a basic household survival budget, and had no safety net for loss of wages nor the wider impacts of this pandemic. We refer to these households as ALICE ® Asset Limited, Income Constrained, Employed. As time goes on, United Ways will continue to provide critical support to ALICE households. For more information on ALICE NY, click [here](https://uwnys.org/alice/).

**211 New York’s Response:**

The first case of COVID-19 in NYS was reported by the Governor on March 2. On March 3, Westchester County mobilized 211 Hudson Valley to respond. A day later, the Onondaga County Executive was advising residents to contact 211 Central NY with their COVID-19 questions and concerns. By March 23, twenty-one counties had either formally activated 211 or begun promoting 211 as the number for residents to call for information about COVID or to receive information about other services that were available to assist.

From March 1 – May 9, 2020, 211 had responded to close to 120,000 calls, a 140% increase in call volume over the same time period in 2019. Even now, 2 months past the time the first case was reported, 65% of all calls to 211 are related to the pandemic.

COVID-19 direct calls relate to basic information about the virus – symptoms, testing availability, quarantines, and antibody testing. The COVID-related calls cover a much broader range of issues but requests for food and financial assistance are consistently high.

211 has been able to document and report:

* Persistent and ongoing problems registering for unemployment insurance (providing referrals to other assistance until UI payments begin);
* Vulnerable populations for whom there are no agencies that provide home delivery of food and prepared meals (i.e. younger than 60 with compromised immune systems);
* Shelter needs and challenges faced by both homeless individuals who are testing positive for the coronavirus and recently released prisoners in need of housing;
* Tenant vulnerability as landlords are still demanding rent and, in some instances, locking tenants out of their apartments if they do not pay;
* Sharp increases in needs for mental health services. Although callers may connect to 211 with other needs and concerns, they then also express their anxiety, depression and loneliness.
* Worker safety concerns as businesses begin re-opening and expect workers to return to work; as well as essential workplaces that are not following guidelines to protect worker safety.

211 also documents unmet needs, an important planning and response capability. Ongoing unmet needs include financial assistance (UI issues noted above and stimulus checks not coming through); food delivery for certain vulnerable populations; tax preparation assistance (VITA sites shut down in March leaving many without the ability for file taxes); internet accessibility which affects tax filings, stimulus receipt and remote schooling. PPE shortages predominated early calls to 211 and then, when the Governor required face masks when social distancing was not attainable, 211 was inundated with calls for how/where to obtain them.

211 was able to quickly and effectively ramp up to meet the escalating demands, which demonstrates both the system’s overall disaster readiness capability and the willingness of 211 lead organizations and contact center host organizations commitment to ensure that this vital service continue.

Each 211 region is required to have a disaster response plan which provides the blueprint for their response. These plans must be updated annually.

But being prepared doesn’t translate into being adequate resources. A response of this magnitude required expanded hours of operations for some contact centers and additional staffing for most. This was accomplished against the backdrop of a very late contract for the annual 211 legislative grant (the first payment on the 9/1/19 – 8/31/20 contract year was not received until March 31 and no additional payments have been made since), requests from state agencies for information and data, with no support for the staffing needed to respond to the specialized data requests, and very little additional funding for 211 services. Much of the work is unreimbursed with Lead Organizations and contact center host organizations underwriting the work and re-deploying staff to meet the demands. A very small number of counties have supplied additional funding to 211 for their work, some of the local COVID-relief funds have allocated dollars to 211, and a small grant ($35,000) from United Way Worldwide’s COVID-19 relief fund provided a very small measure of support for a greatly expanded effort.

**The Non-Profit Employment Sector:**

In addition to the front facing challenges that this pandemic has created, it also has had a devastatingly negative impact on charities’ ability to raise funds. From cancelled fund-raising events, to donors out of work and unable to give, to loss of revenue due to being closed and more has meant limited resources for Non-Profits to help respond to this pandemic to the extent that is needed. The loss of revenue shows early predictions among those in the field, that we may experience up to a 20-30% loss in the services provided by local Non-Profits. What would your community look like with 30% reduced capacity at your food banks, after school programs, arts and culture venue, etc?

It is critical that the state and federal government continue to support the Non-Profit sector with resources so that they can respond to the magnitude of need that is facing individuals and families across the state.

In addition, when state and federal leaders talk about the impact and recovery from the COVID-19 Pandemic, they fail to take into account that the Non-Profit sector is the third largest employment sector in NYS and the US- with more jobs than manufacturing, which we hear so much about. The Non-Profit sector is unique in that caring for people, arts and culture are our business. We are crucial to a functional economy.

According to the Comptroller’s report on Non-Profits:

<https://osc.state.ny.us/reports/economic/nonprofits-in-nys-2019.pdf>

* 18% of the NYS workforce is in the Non-Profit sector, accounting for
* 1.4 million jobs and
* $80 billion in salaries

**What New York State can do to support the Non-Profit sector**:

United Way of New York State is a member of several coalitions working to improve life for all New Yorkers. The items below reflect a summary of communications and recommendations that have already been shared with the Governor’s Office, Budget Director Robert Mojica, Interagency Non-Profit Coordinator Fran Barrett and others.

* Include recognition of and considerations for the Non-Profit sector specifically, in your research, updates and planning efforts.
* Protect important state funding that was appropriated in the 2020-21 state budget. As the pandemic continues to have devastating financial impacts which forces the state to implement deficit reduction plans, important funding streams such as funding for 211 should be exempt from these cuts.
* Connect people to the vital health and economic services they need by providing an emergency appropriation of $5 million to 211 NY.
* Encourage all state efforts that require information and referral to first explore what 211 can offer the process. For examples: 211 is partnering with Office of Mental Health to ensure callers to the state’s mental health line can be referred to 211, when they identify other needs from their community- such as food or financial assistance. At the same time, Department of Health has started an effort requiring non-profits to create and submit a listing of resources that they have available to assist contact tracers with making referrals when they encounter people with needs- so they can build a database of services. From 20 years of experience, 211 knows that service directories are laborious to maintain a, particularly during these times when services available change rapidly. . Instead- contact tracers should be trained to refer people in need to 211- as 211 has the most comprehensive and up to date database of services available for each community, with professional staff assigned to updating those resources.. The effort is duplicative and places an additional request on an already strained non-profit sector.
* Provide additional funding for Non-Profits to operate during and in the wake of the COVID-19 pandemic.
* Specify funding for Non-Profit relief in future stimulus plans. Non-Profits are often not set up to compete with sophisticated and well-funded private corporations for available stimulus funding. It is critical (both at the state and federal level) that funds be delineated to Non-Profits specifically.
* Expedite the payment of any contracts and/or grants that state agencies have with Non-Profits. The significant delay in payments on state contracts to Non-Profits is a travesty and worsening during the crisis. Due to the COVID-19 pandemic, it is more difficult for Non-Profits to use their own money to support these programs and services until the payment is received; and the needs are escalating more quickly than ever, due to the significant number of people out of work.
* Prohibit Non-Profits from being charged back for unemployment insurance claims in instances of mandated facility closures due to COVID-19.
* As a solution to mitigate against poverty, we continue to encourage New York State to expand and strengthen the Earned Income Tax Credit and Child Tax Credits for a more equitable tax policy.

**Federal Response:**

UWNYS engages in federal advocacy in partnership with United Way Worldwide, Prosperity Now, NonProfit NY and a Coalition of 100 major charities in the US.

We have asked our federal delegates, as they consider a fourth relief package, to prioritize investments in policies and community supports that will enable financial stability for those who need it most. We would ask today for your assistance in continuing to advocate with our federal delegation for the following important recommendations:

* Enhance charities’ ability to raise private donations by expanding and making the new nonitemizer charitable deduction permanent. The expanded “above the line” giving by $300 for 2020 does not go far enough to encourage charitable giving for organizations heavily dependent on individual donors. Following the 2008 recession, charitable giving dropped by $42 billion nationally, and our sector expects giving to decline as a result of the COVID-19 recession. We recommend Congress 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.
* Provide support for charities by allocating additional funding specific for charities in the Paycheck Protection Program. We are encouraged that Congress provided an additional $320 billion for the Paycheck Protection at the end of April. Many small charities, including some United Ways, were effectively shut out of the PPP in the first few days. Because nonprofits employ 12.5 million Americans and because of our role in our communities, we urge Congress to set-aside a specific pool of funds within the PPP for charities and provide lenders with added incentives to process our applications in any additional funding rounds
* Specify funding for Non-Profit relief in future stimulus plans. Non-Profits are often not set up to compete with sophisticated and well-funded private corporations for available stimulus funding. It is critical (both at the state and federal level) that funds be delineated to Non-Profits specifically.
* Connect people to the vital health and economic services they need by providing an emergency appropriation of $150 million to 211 at the federal level so that every state has access to additional resources for this important service.
* Provide temporary economic relief for workers and employers by making additional investments in unemployment insurance.
* Put more money into the economy by expanding the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) for working individuals and families. (We understand this is currently under discussion as part of the Heroes Act).
* Help low-and moderate-income families file federal taxes and access tax benefits by providing a $12 million emergency appropriation for the Volunteer Income Tax Assistance (VITA) Program operating under the FY2019 appropriations and an additional $5 million for VITA to increase FY2020 appropriations to fully fund VITA at $30 million moving forward.
* Create millions of jobs and train workers to respond to the pandemic by investing in job training and skill-building in an infrastructure package.
* Ease the financial strain on state budgets by providing a temporary increase in the Federal Medical Assistance Percentage (FMAP)by an additional 6%.
* Strengthen the role of childcare providers to support essential workers and families by providing a $50 billion emergency appropriation for the childcare system.
* New York State is home to 4.4 million immigrants, who are a vital part of our state’s social fabric and economy. Recent federal actions have excluded undocumented immigrants from accessing relief and assistance. We recommend any further relief efforts protect all people, regardless of immigration status, including undocumented immigrants, DACA and TPS recipients, and mixed status families.

**About United Way of New York State**

United Way of New York State is a statewide membership organization, with a mission of strengthening the capacity of Local United Ways in New York State to be leaders in achieving results that improve the lives of all New Yorkers. Of 42 Local United Ways in New York, 36 of them are members of United Way of New York State. Our member United Ways raised $152.6 million dollars in 2018, to invest in community efforts.

211 New York is a wholly owned subsidiary of United Way of New York State. 211 is a free information and referral resource that links people in need of assistance with resources available in their local communities. In 2019, 211 received 1.9 million phone calls, 15.8 million web visits and 2,520 text-based contacts. 211 New York is experiencing 2.5X call volume in response to COVID-19, topping more than 100,000 calls outside of New York City, compared to a typical call volume of 35,000 during this time period.