

Below is a message from Mary Kate Cunningham, CAE, vice president of public policy for the American Society of Association Executives (ASAE).

Dear Nonprofit Association Advocate:

The sign-on letter to follow is long. To save you some time, below is a summary – which will not be included in the version sent to Congress – that explains the letter’s purpose and highlights the legislative asks therein:

Purpose:

Now, more than ever, we must demonstrate to Congress the nonprofit association community’s positive impact on American economy and society. Associations, along with businesses, other nonprofits and workers across the country, are reeling from the devastating health, safety and financial effects of COVID-19. Associations and 501(c)(6) organizations were left out of a flagship relief program, the Paycheck Protection Program (PPP), and thus are without access to this critical means of financial aid.

The next major legislative package to provide additional COVID-19 relief, which is expected in late July, could be the last bill of its scope. As this may be associations’ last chance to gain access to the PPP and secure other much-needed relief, **we ask you to lend your support and sign this letter during this critically important time.**

Legislative Asks:

- 1. Provide 501(c)(6) organizations access to the Paycheck Protection Program (PPP)** and reauthorize the PPP until at least December 31, 2020.
- 2. Pass the Pandemic Risk Insurance Act of 2020 ([H.R. 7011](#))**, which would establish a system of shared public and private compensation for business interruption losses and event cancellations resulting from future pandemics or public health emergencies. If enacted, this program would begin January 2021.
- 3. Pass the Skills Renewal Act ([H.R. 7032](#) / [S. 3779](#))**, per proposed amendment. The Skills Renewal Act would provide Americans who have been laid-off or furloughed due to COVID-19 a \$4,000 tax credit to pursue post-secondary skills training and career development.

To sign, follow this link: https://asaecenter.formstack.com/forms/covid_19_relief_measure

Email publicpolicy@asaecenter.org with questions.

Sincerely,
Mary Kate Cunningham, CAE

June XX, 2020

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

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

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

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

RE: Nonprofit Associations Urgently Need Support in the Next COVID-19 Relief Measure

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

The undersigned organizations, which represent tens of thousands of member associations and businesses, hundreds of thousands of American workers and dozens of industries across the country, **respectfully urge you to include 501(c)(6) organizations, such as trade, business, professional and membership associations, in the Paycheck Protection Program (PPP) and reauthorize the flagship program until at least the end of the year. Further, we urge you to support and immediately pass the Pandemic Risk Insurance Act of 2020 (H.R. 7011) and, per proposed amendment, the Skills Renewal Act of 2020 (H.R. 7032 / S. 3779).**

In a span of roughly four months, 2020 has presented our nation with health, safety, civil and economic calamities unseen for 100 years. And, while recovery remains daunting, your swift leadership and action to provide American workers, nonprofits and businesses trillions of dollars of relief have proven critical to shield our economy and collective livelihoods from permanent damage or failure. Our community is extremely grateful for your passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act (P.L. 116-136) and other relief legislation, which no doubt helped preserve the safety and welfare of millions of Americans. We were disappointed, however, that nonprofit associations were excluded from eligibility under the PPP, even as an initial draft of the CARES Act made such entities eligible.

Nonprofit associations of all sizes, varied functions and disparate industries comprise Section 501(c)(6) of the Internal Revenue Code. More than 62,000 501(c)(6)¹ organizations across the country play a critical role to provide education and professional development for America's workforce, create product and safety standards for everything from food packaging to new building construction, define and advance standards for professional certification and codes of ethics in a wide range of professional fields, and organize community assistance programs in times of greatest need, such as after natural disasters or catastrophic events – including the current COVID-19 pandemic.

Following are quotes directly from nonprofit associations to highlight some of the incredible work our community is doing to help Americans throughout this crisis:

¹ IRS Data Book 2018. North American Industry Classification System (NAICS). U.S. Census Bureau

United Fresh Produce Association – Washington, D.C.

“In response to the COVID-19 pandemic, the United Fresh Start Foundation has infused the fresh produce industry with 25 \$1,000 Rapid Response FRESH Grants to increase access to fresh fruits and vegetables for children and families in need, while also creating opportunities for foodservice distributors experiencing lost markets due to the restaurant, hospitality and school shutdowns. Companies used these grants to support fresh produce donations to food banks, schools and hunger relief organizations in their local communities.”

Texas Rural Water Association – Austin, TX

“94 percent of water utilities nationwide are rural or small municipal systems serving populations of less than 10,000. In Texas, thousands of rural water suppliers are scattered across the state serving small communities far off the beaten path. The Texas Rural Water Association (TRWA) is a 501(c)(6) nonprofit association that serves these rural and small water suppliers by providing them a variety of support services that enable them to ensure the safe water supply of millions of Texans. There is no question that clean water plays an important role in preventing the spread of COVID-19, and that the essential employees of these water suppliers are needed to keep our society functioning. By extension, the work TRWA does to support these systems – which includes providing required training to water and wastewater operators, on-site and remote technical assistance, legal services, employing trained emergency responders, and communicating rapidly changing information in a heavily regulated industry – is also essential.”

Despite nonprofit associations’ collective efforts to help sustain America amid adversity, most are ineligible for significant relief offered through the PPP. According to a June 5 survey of 501(c)(6) executives by the American Society of Association Executives (ASAE) Research Foundation, **72 percent of respondents anticipate using up to half of reserve funds to offset estimated revenue loss, while four percent anticipate using more than half of reserves and four percent anticipate insufficient reserves to cover estimated losses.**²

As these data demonstrate, many nonprofit associations have little or no financial cushion to carry them through this devastating time and thus desperately need access to the PPP. For example, the **Kansas Home Care and Hospice Association (KHCHA)** in Topeka, Kansas, which is the “leading statewide organization that represents those businesses that provide medical and/or support services in their clients’ homes,” has one of the two smallest budgets of all 56 member organizations of the National Association of Home Care & Hospice. 2020 year-to-date has seen just 35 percent on average of the revenue during the same period in 2019. To make things worse, KHCHA had to transition their in-person annual meeting to a virtual format, which jeopardizes as much as 40 percent of its annual revenue.

In California, the **Carlsbad Village Association (CVA)** is a nonprofit 501(c)(6) that supports nearly 400 small businesses in its downtown area. An affiliate of Main Street America, CVA employs three people – two of whom have been furloughed since April 1. That month, only days after President Trump signed the CARES Act into law, CVA reported the following:

² ASAE Research Foundation Association Impact Snapshot for June 5, 2020.

“Our main source of income, a weekly farmers' market, is currently shut down at a net financial loss of \$10,000 per month to our association. One of our biggest events, the 22nd annual Art in the Village, will most likely be canceled, causing us a net loss of an additional \$15,000. We are keeping our doors open and are committed to run through every penny of our reserves to keep our association going in order to support our downtown businesses during this crisis. It would be a tremendous help if we too could qualify for the Paycheck Protection Program, like the businesses we support, so that our staff could stay employed to work on their behalf. There might only be three of us at our association, but we represent and support nearly 400 stakeholders. Help us keep our association strong for them.”

In Illinois, the **American Academy of Pediatric Dentistry**, which advances optimal oral health for all children, has experienced grave financial harm:

“Our association had to cancel our 2020 Annual Session that was scheduled for Memorial Day weekend, resulting in an estimated \$3.6 - 4.1 million in lost revenue. We also had to cancel an in-person Continuing Education course scheduled for late March and another one scheduled for September. The financial impact forced our association to lay off five staff (approximately 20 percent of our workforce), institute a hiring and salary freeze, and cancel two summer internship programs.”

As you can see, nonprofit associations – alongside all employers and employees in America – are reeling amid COVID-19, which is why the undersigned ask that Congress immediately pass legislation to grant 501(c)(6) organizations access to the PPP and reauthorize the program until at least December 31, 2020.

Pandemic Risk Insurance Act of 2020 (H.R. 7011)

The undersigned ask you to support and pass the Pandemic Risk Insurance Act of 2020 (PRIA), introduced by Congresswoman Carolyn B. Maloney (D-NY), or include such legislation in the next COVID-19 relief bill. If enacted, PRIA would establish a system of shared public and private compensation for business interruption losses and event cancellations resulting from future pandemics or public health emergencies.

This bill is essential for the nonprofit association community whose lifeblood courses from in-person meetings and events. According to the Professional Convention Management Association, conferences and other in-person events account for an average of 35 percent of total annual revenue for nonprofit associations.³ And, according to the ASAE Research Foundation survey mentioned above:

- 86 percent of respondents face up to **\$1,000,000** in estimated revenue losses – while six percent will face **\$1,000,000-\$2,000,000** in estimated losses – just to event cancellations;
- 80 percent of respondents face up to **49 percent** of estimated revenue loss – while eight percent estimate a revenue loss of **50 percent or more** – just to event cancellations;

³ Professional Convention Management Association. 28th Annual Meetings Markey Survey

- 39 percent of respondents do not expect to resume in-person meetings and events until **at least January 2021**;
- 47 percent of respondents report **zero insurance coverage** for event cancellation, while only **five percent** report full coverage; and
- 63 percent of respondents stated they are **likely or very likely** to purchase PRIA coverage if made available.

Modeled after the Terrorism Risk Insurance Act, PRIA would establish a public-private cost-sharing partnership between government and insurers for prospective claims. Beginning January 2021, once total claims for an individual pandemic or public health emergency reach \$250 million, the government would cover 95 percent of all prospective, related claims. And while insurers are not required to offer this coverage, early adopters will prosper, for PRIA would empower nonprofit associations to further benefit the economy and help our nation recover from COVID-19. As an example, in August 2018, ASAE convened more than 5,000 nonprofit association professionals at its annual meeting in Chicago. As of May 2019, this single event directly produced at least \$147 million in downstream economic impact.⁴

PRIA offers the security nonprofit associations need to fully reignite our community's far-reaching economic impact through industry-focused conferences, workforce development, educational programming and other critical services. For these reasons, we strongly support H.R. 7011.

Skills Renewal Act of 2020 (H.R. 7032 / S. 3779)

The undersigned ask you to support and pass the Skills Renewal Act of 2020 (H.R. 7032 / S. 3779), per proposed amendment, or include such legislation in the next COVID-19 relief bill. Introduced in the House by Representatives Derek Kilmer (D-WA), Susan Brooks (R-IN), Terri Sewell (D-AL) and G.T. Thompson (R-PA), and in the Senate by Senators Amy Klobuchar (D-MN), Ben Sasse (R-NE), Cory Booker (D-NJ) and Tim Scott (R-SC), the Skills Renewal Act would serve as a boon for American workers hit hard by the financial reality of COVID-19. This important bill would provide Americans who have been laid-off or furloughed as a result of COVID-19 a \$4,000 tax credit to pursue post-secondary skills training and credentials and thereby help reestablish their welfare and wellbeing.

If amended, as proposed by the Professional Certification Coalition,⁵ Americans could use the credit to pursue and obtain industry certifications and other professional credentials that would help them more fully access the economy and contribute to a dynamic marketplace through increased competition and consumer choice. This will undoubtedly support nonprofit

⁴ Choose Chicago (Chicago, Illinois Convention & Visitors Bureau) Economic Reporting.

⁵ The Professional Certification Coalition (PCC) is a nonprofit association representing professional certification programs, those who hold private certification credentials, and the many constituencies that rely on professional certification as a signal of professional competence. The PCC's founding organizations – the American Society of Association Executives (the leading organization for association management) and the Institute for Credentialing Excellence (the leading developer of accreditation standards for professional certification programs) – serve as its Steering Committee. The PCC currently has more than 100 organizational members, including non-governmental professional certification organizations, professional societies, and service providers. Its members reflect a wide spectrum of professions, including health care, engineering, financial advisors, and information technology, among many others.

associations and others who offer workforce development programs and will increase access to job opportunities for Americans who have faced employment setbacks due to the pandemic. For these reasons, we strongly support H.R. 7032 / S. 3779.

The Pandemic Risk Insurance Act of 2020 and the Skills Renewal Act of 2020, per proposed amendment, serve not only to support employers and Americans in need, but as bellwether legislation that will help secure our workforce and economy throughout COVID-19 and beyond. These measures – and 501(c)(6) access to the PPP – are essential to uphold nonprofits associations’ vital contribution to American economy and society.

Thank you for your consideration and continued support of our country during this challenging time. If you have questions regarding this urgent support request for the nonprofit association community, please contact Mary Kate Cunningham, CAE, vice president of public policy for ASAE, at mcunningham@asaecenter.org or 202-626-2787.

Signatories listed below carbon copy line.

CC:

The Honorable Carolyn B. Maloney
United States House of Representatives

The Honorable Amy Klobuchar
United States Senate

The Honorable Derek Kilmer
United States House of Representatives

The Honorable Ben Sasse
United States Senate

The Honorable Susan Brooks
United States House of Representatives

The Honorable Tim Scott
United States Senate

The Honorable Terri Sewell
United States House of Representatives

The Honorable Cory Booker
United States Senate

The Honorable G.T. Thompson
United States House of Representatives

The Honorable Marco Rubio
United States Senate

The Honorable Nydia Velázquez
United States House of Representatives

The Honorable Benjamin Cardin
United States Senate

The Honorable Steven Chabot
United States House of Representatives

The Honorable Susan Collins
United States Senate

The Honorable Maxine Waters
United States House of Representatives

The Honorable Jeanne Shaheen
United States Senate

The Honorable Patrick McHenry
United States House of Representatives

The Honorable Charles Grassley
United States Senate

The Honorable Richard Neal
United States House of Representatives

The Honorable Ron Wyden
United States Senate

The Honorable Kevin Brady
United States House of Representatives

Signatories by State