



July 28, 2020

Dear Senator:

As President and CEO of [Lutheran Services in America](#), I write to you today on behalf of the one in 50 Americans who rely on the 300 Lutheran health and human services providers throughout the United States that comprise our network to share our concerns about a number of provisions of the draft Health, Economic Assistance, Liability Protection and Schools (HEALS) Act. With our active presence in over 1,400 communities in 45 states as seen [on this map](#), our work is critically important in improving the lives of America's most vulnerable people, ranging from seniors, veterans and people with disabilities to children, youth and families, and the homeless.

In its current form, the HEALS Act is not an adequate response to the needs of health and human services nonprofits, state and local governments, or people experiencing housing or food insecurity. It neglects many of the areas most important to our members as outlined in our [key priorities](#). **We respectfully ask you to address the urgent remaining needs of the vital nonprofit health and human services sector as negotiations on this legislative package move forward.**

Our work is deeply embedded in communities across the country where we have provided services for over 150 years, and our members are on the front lines every day caring for vulnerable people during this time of crisis, while taking extraordinary steps to protect our staff and people served. Yet our work—which comprises a significant part of the health and human services delivery system—cannot continue without specific measures taken soon to support nonprofit health and human service organizations, including those with over 500 employees. **Without needed resources to support nonprofit health and human services organizations during this time of crisis, we will be unable to meet the increasing needs of individuals and communities at their most**



vulnerable time. For these urgent reasons, we strongly urge you to consider the following as you continue work on this next Senate relief legislation:

First, access to forgivable loans for mid-size nonprofits must be included in the relief package. According to the U.S. Bureau of Labor Statistics, nonprofits with more than 500 employees employ 7.7 million people, but unfortunately, instead of expanding nonprofit eligibility to participate in the Paycheck Protection Program (PPP) by increasing the current 500-employee cap, this bill further narrows the universe of organizations that would have access to these job-saving resources by reducing the employee cap to 300 employees. These forgivable loans would be an invaluable resource for nonprofit health and human services providers, enabling them to continue serving our communities when they need it most by ensuring they are able to cover the many additional costs associated with operating during this unprecedented pandemic.

Next, an increase in the federal unemployment insurance reimbursement for self-funded nonprofits to 100 percent of costs is needed. While the CARES Act provided for 50 percent reimbursement of these costs and the HEALS Act currently would increase this to 75 percent, this is inadequate to address the needs of nonprofits who have been forced by the severe impact of the pandemic to furlough or lay off staff, triggering immediate unemployment payment bills, exacerbating cash flow difficulties, and diverting valuable funds from much-needed mission services in your state.

Additional targeted financial resources for nonprofit front line health and human services providers are also needed, in order to provide grants to non-hospital health and human services nonprofits to cover unreimbursed expenses attributable to the coronavirus public health emergency. These expenses could include: rising costs of labor, supplies, and provision of care, including: purchase of personal protective equipment and related, needed supplies; additional costs associated with accepting and/or being assigned COVID-19 patients, including costs tied to increased Medicare or Medicaid reimbursement rates for COVID-19



patients; workforce safety costs, and increased costs for retaining and/or increasing/training staff.

Increased funding of \$2 billion for vulnerable children and youth is also critical, namely through an additional \$1.5 billion for The Child Abuse Prevention and Treatment Act (CAPTA) and \$500 million for Title IV-E Chafee funds to allow states additional funding to support older youth in care and transitioning out of care.

State and local governments need a strong infusion of additional fiscal relief in order to avoid large-scale layoffs and budget cuts, including potential cuts to state Medicaid programs, but the HEALS Act offers no new resources to these governments beyond allowing them to repurpose previously appropriated CARES Act funds. In addition to the direct impact on these governments, we know that the closure or reduction of government-run program causes residents to turn to nonprofits like ours for assistance, thus increasing demand for nonprofit services as resources diminish.

Finally, stronger support for people experiencing food and housing insecurity is direly needed. However, the bill does not raise Supplemental Nutrition Assistance Program (SNAP) benefit levels even though 26 million adults reported that their households, which include millions of children, often or sometimes didn't have enough to eat in the last seven days, according to Census data from early July. Further, the measure contains no funding for homelessness services or additional rental vouchers, and it fails to extend the federal eviction moratorium that expired Friday.

We are available to provide any additional information or background needed for you to push for the above specific resources in this relief package, including related data from our current member organization survey, and firsthand testimonials from our organizations on how the pandemic is affecting the care and services they provide every day for so many people nationwide.



Lutheran
Services
in America

Thank you in advance for giving your time and rapid attention to this crucial issue. Our 300 health and human services organizations and the one in 50 Americans we serve each year are counting on you during this historic pandemic.

Respectfully,

Charlotte Haberaecker
President and CEO