



May 4, 2020

Dear Senate and House Leaders,

Our organizations represent thousands of churches, synagogues, schools and other faith-based nonprofit charities providing physical, spiritual and mental health services and support to countless Americans as we struggle through the COVID-19 crisis.

Although Congress and the Administration have provided four extensive COVID-19 relief packages, most of our organizations continue to struggle, as charitable contributions have dramatically declined and demand for services has sharply increased. We request that you include more Federal support targeted to nonprofits in the “Phase 4” legislative package. Please include the following provisions:

1. **Provide more payroll support resources in a program exclusively for charitable nonprofits.** Some nonprofit charities have received support under the PPP loan program. But many have been unable to access PPP loans due to a shortage of funds in the program, actions by banks to prioritize their business customers, and because many faith-based charities doing much good have more than 500 employees. We propose the creation of a nonprofit charity dedicated grant program – totaling \$60 billion – that can be accessed by faith-based charities to support employee retention, hiring and programming. Some of these funds can be processed through a nonprofit dedicated PPP track and others via a nonprofit grant program administered by the U.S. Treasury or other agencies.
2. **Increase the federal unemployment insurance reimbursement for self-funded nonprofits to 100% of costs.** The CARES Act appropriately expanded unemployment insurance coverage. However, Section 2103 only provides reimbursement of 50% of costs to self-insured nonprofits. For-profit employers will not bear a similar cost burden in these difficult times. We ask Congress to raise the reimbursement to 100%.
3. **Increase the “above the line” tax deduction for charitable contributions.** The CARES Act created a deduction for non-itemizers to support \$300 in charitable contributions in 2020. With an anticipated loss of \$40 billion in contributions this year and next, Congress must do more to catalyze greater charitable giving. We ask you to increase the non-itemizers deduction to \$4000 per individual (\$8000 for married couples) as was proposed by Senators Lankford and Coons in an amendment to the CARES Act. This deduction should also be made retroactive to the 2019 tax year and should be made permanent, or at least extended through 2022.
4. **Increase the maximum SNAP benefit.** The coronavirus pandemic and supply chain disruptions have made food more expensive while disproportionately impacting the income of low-wage workers. Even before the crisis, many families receiving SNAP ran out of food assistance by the third week of the month. The crisis is driving many of these families into even more desperate need. Despite Congress’ expansion of unemployment insurance, many more families are suddenly unable to feed their children. Congress should temporarily increase the maximum SNAP benefit by 15 percent. A similar provision enacted in the ARRA legislation in 2009 was one of the single most effective policies that helped avert a big increase in poverty during that economic downturn. SNAP is one of the most direct ways to meet individual needs and also one of the most effective ways to bolster local economies and businesses.

5. **Provide a tax credit or deduction to support non-public K-12 schools and the families who choose them to educate their children.** The CARES Act created a \$13 billion support fund for K-12 schools, but with very limited support for America's non-public schools, including faith-based schools, that educate millions of students. These schools too are now in crisis as parents' capacity to pay tuition has decreased and other fundraising avenues have all but evaporated. These schools - and the families who choose them to educate their children - need support. Moreover, by providing this support to non-public schools, Congress will also be supporting the public school sector that would otherwise be overwhelmed if students are forced to withdraw from the non-public schools and enroll in the public schools. We propose enacting a tax credit or deduction (retroactive to 2019) for a portion of tuition payments made by parents to non-public K-12 schools.

Finally, as you craft your "phase 4" bill, please give careful attention to protecting and helping the most vulnerable members of our communities. The coronavirus threatens everyone but most seriously those living in poverty, the elderly, the homeless, persons with disabilities, migrants and refugees, those held in prisons and detention centers and many others. How we treat our vulnerable neighbors in a time of crisis is a moral test of our society.

There are additional policy measures Congress will consider in its next legislative effort to respond to the challenge of the current crisis and some of our organizations may support various of those as well. But the foregoing are consensus proposals we all support.

We are eager and available to discuss these proposals with you as soon as possible. Thank you.

Agudath Israel of America, Rabbi Abba Cohen, Vice President for Government Affairs

Christian Reformed Church of North American, Colin P. Watson, Sr., Acting Executive Director

Cooperative Baptist Fellowship, Rev. Dr. Paul Baxley, Executive Director

Evangelical Covenant Church, Rev. Dr. John S. Wenrich, President

Grace Communion International, Dr. Greg Williams, President

National Association of Evangelicals, Walter Kim, President

Union of Orthodox Jewish Congregations of America, Nathan Diament, Executive Director for Public Policy

United States Conference of Catholic Bishops, Bishop Michael Barber, SJ, Chairman of the Committee on Catholic

Education; Archbishop Paul S. Coakley, Chairman of the Committee on Domestic
Justice and Human Development