

Strengthening State and Local Economies in Partnership with Nonprofits:

Principles, Recommendations, and Models for Investing Coronavirus State and Local Fiscal Recovery Funds

The Role of Nonprofit Advocacy

“Where do we apply for ARPA funds?” That’s often the first question nonprofits ask when they learn of the availability of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). But due to the unique nature of this one-time funding stream, the response typically must be, “Nowhere, unless we as nonprofits advocate with our state and local governments for effective programs that include charitable nonprofits.”

Congress intended the \$350 billion in CSLFRF allocations to be spent by state, local, Tribal, and territorial governments to help communities recover from the COVID pandemic. It expressly authorized some of the funding to go to charitable organizations by governments (1) helping individual nonprofits recover via aid as *recipients of financial assistance for their organizations*, and (2) hiring charitable nonprofits as *providers of assistance to others*. But governments can also allocate these resources to other initiatives, including covering government’s lost revenue during the pandemic, providing pay raises to certain categories of public employees, and sending direct payments to households, to name only a few of hundreds of other options. In short, nonprofits are *eligible* for, but not automatically *entitled* to, CSLFRF resources; they must make the case for why investing in charitable organizations is the best use of a government’s allocation. That’s where nonprofit advocacy and innovation come in.

Nonprofit leaders around the country have organized various efforts to include charitable nonprofits in relief and recovery investments of CSLFRF resources. In many states, frontline organizations are coalescing through their state associations of nonprofits to promote specific proposals. At times these efforts occur at the state level and sometimes at the county or city levels, depending on assessments of where nonprofits see the greatest opportunities to work with governments to have impact. State associations have made the case for nonprofits through survey data, policy analyses, press releases, and media engagement. They have provided examples of frameworks and programs, created materials for nonprofits and potential partners, and built coalitions to advance legislative asks. In this section, we highlight initiatives from 15 state associations of nonprofits, spread geographically from coast to coast and many places in between, to illustrate collective efforts. Of course, there are many other vibrant and effective campaigns occurring in other

states and hundreds of communities across the country. Included in these stories are advocacy proposals and innovations for turning concepts into reality.

California

Last year, the **California Association of Nonprofits** (CalNonprofits) [sent an open memo](#) to California’s mayors, county supervisors, and city councilmembers urging them to consider investing significantly in nonprofits with portions of the ARPA funds allocated to California’s nearly 500 cities and 58 counties. The memo states, “Compared with all other sectors, investments in California’s nonprofits can be counted on to ensure spending and hiring in low-wealth communities, keep funds in the region, employ more women and people of color, bring in more dollars from out-of-state, and provide more services to communities.” As with this Special Report, the memo highlighted several successful partnerships between governments and the nonprofits in their communities to show the local leaders the substantial impact they can expect from investing in charitable organizations. It closed by reminding the government officials that “[n]onprofits are the vehicles through which Californians take care of one another,” and to “make sure [the ARPA] funds get to nonprofits – who not only use the money quickly and spend it locally – but whose work every one of us depends on.” An extra advocacy touch at the end includes a P.S. to nonprofits urging them to pass along the document to members of their own county boards and city councils.



The California state association of nonprofits recently convened the **Local ARPA Advocacy Project** (LAAP), a CalNonprofits effort to build the capacity of nonprofits to advocate for their missions and the people they serve by securing investments from the estimated \$16 billion in funding flowing to California counties and cities from CSLFRF. Throughout this year, experienced coaches are helping participants a cohort of nonprofits around the state with strategy that best fits the dynamics in their region. CalNonprofits plans to gather learnings from these activities and share them as tools and guides beyond this cohort to encourage more nonprofits to advocate for ARPA funding in their communities.



Resources from CalNonprofits

- [Open Letter to California local governments on investing in nonprofits](#)
- [A Guide to California’s COVID-19 Relief Grant for Nonprofits and Small Businesses](#)
- [LA County ARPA Equity Dashboard](#)

Kentucky

The **Kentucky Nonprofit Network (KNN)** is part of a broad coalition promoting a [Bridge to Sustainability & Recovery for Kentucky's Nonprofits](#) that includes \$150 million (or 6 percent of Kentucky's ARPA funds) for a [Nonprofit Sustainability & Recovery Fund](#). The advocacy campaign also includes recommendations to address the nonprofit workforce crisis that is limiting the ability of charitable organizations to address pre-existing and pandemic-related challenges. To highlight the needs and solutions, KNN held a virtual news conference, where speakers addressed specific challenges and explained how the legislative proposals provide the needed solutions. The details of Nonprofit Sustainability & Recovery Fund proposal is part of a larger set of materials KNN published for nonprofits in the Commonwealth to engage with city and county leaders. KNN also developed various communication templates that enable individual organizations to state their case clearly and effectively.



The Nonprofit Sustainability and Recovery Fund framework identifies eligibility requirements that nonprofits would have to meet, specifying that nonprofits must have experienced a loss of income due to the pandemic or have incurred or will incur expenses in response to the public health emergency. Among other features, the proposed Fund would be overseen by a state agency and a 14-member Advisory Committee to finalize eligibility and appropriate outreach.

The Kentucky Nonprofit Network's [open letter to public officials](#) makes it clear that nonprofits are natural partners in providing solutions:

Your community not only needs nonprofits, but also cherishes them. Nonprofits are the vehicles through which Kentuckians care for one another. Try to imagine your community without nonprofits. And then imagine what your community could be if you could put nonprofits on course to thrive as your partner with a significant investment of American Rescue Plan Act funds.

Resources from Kentucky Nonprofit Network

- [A Bridge to Sustainability & Recovery for Kentucky Nonprofits](#) Proposal
- [Connecting with City and County Leaders](#): a recording outlining strategies & tools to assist KY nonprofits
- [KY Open Letter to City and County Officials](#)
- [One Page Summary: Nonprofits as Local Government ARPA Partners](#)
- [10 Funding Principles for Government Partnerships with Nonprofits](#)

Maine

The **Maine Association of Nonprofits'** (MANP) Advocacy Network wrote to county commissioners across Maine last fall to persuade them to include nonprofits when considering how their counties will distribute ARPA funds. MANP's guide to ARPA funding in Maine included key messages for nonprofit advocates, a framework for investments, and examples of Maine nonprofits as partners in recovery.



To encourage community nonprofits to participate in [ARPA Listening Sessions](#) hosted by the Maine Department of Economic & Community Development, MANP shared guiding principles for investments on potential nonprofit support programs. MANP focused on coalition-building in pursuit of ARPA funding during one of their MANP Connects calls to brainstorm possibilities in recognition that the American Rescue Plan Act is a once-in-a-generation investment, and many models and partnerships are not finalized.

Resources from the Maine Association of Nonprofits

- [American Rescue Plan Act Funding in Maine](#), including Key Messages for Nonprofit Advocates
- [Advocacy Network letter to Maine County Commissioners](#)
- [How to Invest Coronavirus State and Local Fiscal Recovery Funds](#)
- [What the American Rescue Plan Act Means for Nonprofits](#)

Partnerships with Maine's nonprofits will allow for funding to be distributed effectively and efficiently, leveraging resources, relationships, and strengths to serve communities even better. Additionally, nonprofits are perfectly positioned to maximize public benefits with their deep knowledge of community needs, reach, and existing relationships, particularly in low-income and underserved or hard-to-reach populations.

Jennifer Hutchins, Executive Director,
Maine Association of Nonprofits

Maryland

The **Maryland Nonprofits** team has developed a variety of resources to connect governments to solutions with and for nonprofits that create community impact. The state association of nonprofits launched a webpage titled "[A Model ARPA Grant Program from Maryland Nonprofits](#)." The site explains that the "Model Grant Program" is designed to make it easy for governments to develop and manage a grant program – even if they do not have a lot of experience issuing grants. The model grant process is customizable; it allows for direct grantmaking or partnering with an intermediary, like a community foundation or charitable trust, to run the process. The campaign produced key resources for governments, nonprofits, and philanthropy, such as sample grant applications, criteria for selection, grant agreements, expenditure reports, and annual reports.



Maryland Nonprofits provided trainings to government officials and to nonprofits about what is available and how to make the case for mission-focused projects and supports. By using the process guide and sample documents – plus the trainings tailored to government officials and to nonprofits – local jurisdictions can quickly set up a grantmaking process or add a layer to their current grantmaking process that works for charitable organizations and ensures that American Rescue Plan Act funds are quickly, efficiently, and equitably distributed in their communities.

Resources from Maryland Nonprofits

- [A Model ARPA Grant Program](#)
- [Nonprofits and the American Rescue Plan Act](#) webinar
- [Getting the Most out of ARPA: A Forum for Public Officials](#) webinar
- [ARPA Dollars – Clearer Rules, More Flexibility, Still Complicated](#)

Maryland Nonprofits Trainings

- A model ARPA grant program: workshop for government agencies and intermediaries to help them create a grantmaking process to distribute funds in their communities
- “How to” guide to prepare and submit government grants: guide for charitable organizations to become a more successful government grant applicant
- Developing your ARPA strategy: helping nonprofits create a strategy, get prepared for strategic planning and rapid expansion, and secure funding.

Michigan

The **Michigan Nonprofit Association (MNA)** has urged the state to create and fund a **Michigan Small Nonprofits Relief Plan** that would be administered by MNA. Its proposal stressed that many small nonprofits have only 3 to 6 months of operating cash on hand, and individual donations are down, making this relief a lifeline for nonprofits. To support small nonprofits, MNA would establish and manage the grant program and provide evaluation and reporting, communication, and distribution. The approach is based on the recognition that a trusted organization with experience in management and reporting would ease some of the challenges small nonprofits face when applying for grants of this scale, sometimes for their first time.



During Michigan Nonprofit Association’s Legislative Day in 2022, Lieutenant Governor Gilchrist discussed a proposed \$50 million Michigan Nonprofit Relief and Activation program that would be funded through ARPA, recognizing that the amount is small compared to the needs of nonprofits in the state. Because there is strength in numbers, MNA created a [sign-on letter](#) to state legislators to support the broad advocacy effort. The letter emphasizes that the “state legislature has provided relief to specific sectors in Michigan’s economy that have been devastated by the pandemic. And while these efforts are

To date, unlike other industries negatively impacted by the pandemic, no dedicated relief or grants have been allocated by the State to charitable nonprofits. Supporting charitable nonprofits will retain jobs and keep communities strong.

Kelley J. Kuhn, President & CEO,
Michigan Nonprofit Association

extremely vital, charitable nonprofits have continued to serve our communities, often at an increased need, but have not been allocated specific relief.”

Resources from the Michigan Nonprofit Association

- [Navigating COVID-19: Grants and Loan Programs](#) slides
- [Funding Related to COVID-19](#)
- [Nonprofit, political leaders share strategies to raise funding and access federal relief](#)

Minnesota

The **Minnesota Council of Nonprofits** (MCN) is leading a push for a \$200 million state [Nonprofit Relief Fund](#) that is designed to address funding shortfalls and a diminished workforce. The effort notes the continuing challenges nonprofits face. It also stresses that nonprofits have been largely excluded from state and federal relief programs. Specifically, state data show that fewer than 50 percent of eligible Minnesota nonprofits obtained a Paycheck Protection Program loan, and only 15 percent of nonprofits report being able to use the Employee Retention Tax Credit. Although relief for nonprofits has fallen short, their costs have not. According to MCN’s latest [COVID Impact Report](#), 44 percent of Minnesota nonprofits are “still seeing an increase in demand for services,” while “only 48 percent of nonprofits said they could only operate for 12 months or less before exhibiting financial distress.”



The Nonprofit Relief Fund proposed by MCN would be funded from the state’s general fund or remaining allocation from the American Rescue Plan Act, and prioritize small, rural, human services, and culturally specific nonprofits. It includes a proposed methodology for determining the amount of funding and ways to ensure accessibility based on feedback from frontline nonprofits. In February 2022, Senators introduced a bill ([S.F. 3593](#)) to establish the Nonprofit Relief Fund. As part of their advocacy efforts to get the bill enacted, MCN is encouraging nonprofits to sign the [statement of support](#) and contact their legislators in support of the Nonprofit Relief Fund.

Ensuring Accessibility for Nonprofits

- Make the application as simple as possible
- Require no or very minimal reporting from individual nonprofits
- Provide general operating support
- Prioritize small, in Greater Minnesota, human services, and culturally-specific nonprofits

[MCN Nonprofit Relief Fund Overview](#)

Resources from the Minnesota Council of Nonprofits

- [Nonprofit Relief Fund](#) full proposal
- [Fact Sheet: The Need for a Minnesota Nonprofit Relief Fund](#)
- [Fact Sheet: How COVID has impacted nonprofits](#)

Montana

The **Montana Nonprofit Association** (MNA) recognizes that many nonprofits don't regularly advocate before – or even know – their county commissioners. To address that, and to build relationships, MNA hosted a webinar, [Collaborating with your County Commissioners on ARPA Funding Town Hall](#). The webinar featured various strategies for reaching out to local county commissioners, insights on identifying eligible uses of funding, and invited attendees to share success stories or barriers. A key takeaway is that local governments are still making decisions, and engaging local officials allows nonprofits to be attuned to the plans and conversations taking place.



Resources from the Montana Nonprofit Association

- [Letter to the Montana Association of Counties](#)
- [Webinar on the American Rescue Plan Act](#)
- [Coronavirus Relief Fund Reporting Resources](#)

Tips for Nonprofits

- Know what your county is getting
- Know how your use of funds is going to mitigate the pandemic
- Consider how you are leveraging your funds
- Plan out how you will communicate with commissioners

[How to Access ARPA Funding](#), MNA

Nebraska

Throughout last summer, the **Nonprofit Association of the Midlands** hosted a series of community roundtables on ARPA funds. The series, “Building Transformational Change Through ARPA,” convened representatives from nonprofits, the state legislature, and community foundations to discuss their APRA-spending ideas on specific topics such as housing and early childhood. At the end of the last roundtable, participants were able to prioritize ideas and, based on what they learned about ARPA, make recommendations on investments at the state level with the funding. Many challenges and solutions from the roundtables are replicable around the country.



The Nonprofit Association of the Midlands also created a [Funding Principles Tool](#) and produced recommendations in five focus areas: early childhood, food, health, housing, and workforce. These tools and the strong advocacy making the case that funds should be invested in nonprofits to secure the greatest impact helped shape the legislation to appropriate ARPA funds for various nonprofit subsectors in the state. Some of the bills designated as highest priority would appropriate funds for child care programs, grants to nonprofits providing food assistance, repayment of qualified educational debts owed by certain health professionals, and expanding and retaining the state workforce – all are pending as of the first week of April 2022.

Nebraskans who never needed help before were served by nonprofits, and low-wage earners who struggled pre-pandemic are still in crisis. Nonprofits are part of community collaboratives across the state and work with others to meet the urgent needs of children and families.

Anne Hindery, CEO
Nonprofit Association of the
Midlands

Resources from the Nonprofit Association of the Midlands

- [Recommendations to Guide ARPA Funding Distribution by State and Local Governments](#)
- [Early Childhood Recommendations](#)
- [Food Recommendations](#)
- [Health Recommendation](#)
- [Workforce Recommendations](#)

New York

The [Coalition to Advance Nonprofits](#), a sector-wide group coordinated by **Nonprofit New York**, has developed [Recommendations for New York State’s Use of American Rescue Plan State and Local Relief Funding](#). The document calls on “the state to prioritize the nonprofit sector, focus on sustainability, and include nonprofit partners for substantive roles when planning task forces for the use of ARPA funds.” It also urges “state and city leaders to spend their respective portions of the ARPA funds in a way that ensures the greatest impact for the public good and with an explicit and demonstrable focus on creating equity.” Key recommendations include centering racial equity from the outset, reforming government-nonprofit grants and contracts, providing premium pay for essential workers, including employees of nonprofits, and expressly including nonprofits in relief to education and senior care.

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Recommendations to the State

- Allocate funding in partnership with the nonprofit sector.
- Center racial equity from the outset.
- Reform nonprofit contracts
- Assess and allocate funding in ways that do not use one time dollars to cover recurring costs

[Coalition to Advance Nonprofits Recommendations](#)

Resources from Nonprofit New York

- [The Impact of COVID-19 on Nonprofits](#)
- [COVID-19 Updates](#)

North Carolina

The **North Carolina Center for Nonprofits** hosted a webinar titled, [“What NC Nonprofits Need to Know about Partnering with State and Local Governments.”](#) Panelists included a representative from the NC Pandemic Recovery Office, an official from a rural county who works closely with nonprofits, a child advocacy nonprofit, and the state association of nonprofits, which offered insights into trends in nonprofits’ needs. The overarching theme of the event was discerning ways that nonprofits can engage with their local governments to advocate for meaningful and equitable allocation of local ARPA funds.



Many missions | 100 counties | One voice

The state association of nonprofits also presented a document [making the case for investing](#) some of the state's ARPA funds into a nonprofit recovery fund. It highlighted examples of economic harm nonprofits have suffered due to COVID-19, including the loss of fundraising event revenue, loss of volunteers, and the costs incurred by changing the way programs and services are provided as a result of social distancing. The document explained that – with these growing challenges, and without additional financial support – nonprofits will be forced to cut back on services they can deliver. In short, a nonprofit recovery fund would be an essential lifeline for frontline nonprofits.

Suggestions for a Nonprofit Recovery Fund

- Appropriate eligibility criteria
- A broad set of allowable uses
- Adequate funding to make a meaningful difference
- A simple and straightforward application and administration process

[The Case for a Recovery Fund](#), North Carolina Center for Nonprofits

Resources from the North Carolina Center for Nonprofits

- [Nonprofit Recovery Fund Would Strengthen North Carolina's Recovery](#)
- [American Rescue Plan Provides Relief to Nonprofits](#)
- [Recommendation for Nonprofit Relief Fund](#)

Pennsylvania

The **Pennsylvania Association of Nonprofit Organizations** (PANO) developed an [ARPA Advocacy Toolkit](#) to assist nonprofits in making the case to

government officials that investing CSLFRF resources in charitable organizations is a sound investment. Separately, the state association of nonprofits has been making the public aware that more than \$6 billion of the Commonwealth's \$7.29 billion in ARPA funds remain unspent and is calling on state legislators to release those funds to support nonprofits.



PANO's two-fold campaign seeks to raise a collective voice to drive funding and support to Pennsylvania nonprofits. It underscores the need with local stories to drive the message home. Some key actions in the toolkit (with messaging templates) are preparing a case for support, asking a municipality to hold a public forum, setting up meetings with state *and* local elected officials, writing op-eds to raise public awareness, and inviting clients to reach out to their elected officials to describe the impact of the nonprofit's work on their lives. Soon after the toolkit's release, nonprofits utilizing it had already generated hundreds of emails to 120 state Representatives and Senators.

Advocacy Techniques for Connecting with Elected Officials

- Hold a public forum
- Set up meetings with state *and* local elected officials,
- Write op-eds to raise public awareness,
- Invite clients to reach out to their elected officials to describe the impact of the nonprofit's work on their lives.

PANO [ARPA Advocacy Toolkit](#)

Resources from the Pennsylvania Association of Nonprofit Organizations

- [American Rescue Plan Act Advocacy](#)
- [ARPA Advocacy Toolkit](#)

South Carolina

Together SC released an [ARPA Funding Collaboration Proposal](#) that outlines a partnership structure intended to “increase efficacy of ARPA funding allocation and alleviate administrative burdens on agency resource.” This structure would allow a lead agency for nonprofit ARPA funding to work with funding organizations across the state with community investment expertise. The proposal calls for an investment of [\\$100 million](#) (4 percent of the state’s ARPA funds). It outlines the role of nonprofits in response and recovery, provides examples of successful partnerships, and lays out eligibility for relief that is based on the [U.S. Treasury Department’s Final Rule](#). The proposal also notes that while other priorities will require long-term planning and implementation could take years, the grant would provide greater visibility of the state’s investments in local communities while ensuring transparency and accountability.



Together SC’s collaboration proposal details a model partnership intended to ease administrative burdens and increase efficacy of allocation, as well as assuring compliance with state and federal requirements. As a further sign of the leadership and support for the proposals, nonprofit and philanthropic leaders published three separate op-ed articles making the case that [nonprofits improve lives](#), are [critical to economic development](#), and are [key to helping communities thrive](#).

Eligible Uses for Funds

- Projects and programs carried out by nonprofits that align with the State’s economic goals
- Merit should be granted based on the program’s alignment with ARPA regulations
- Support nonprofits that have suffered significant loss or cost increases

[Together SC Proposal](#)

Resources from Together SC

- [Proposal Summary Sheet: Invest \\$100M in Work of SC Nonprofits](#)
- [Together SC Proposal Overview Slide Deck](#)
- [Funding Collaboration Proposal](#)

Vermont

Common Good VT held a series of webinars and online discussions to assist Vermont nonprofits in navigating the impact of the pandemic on the sector. One conversation, “Development During the Pandemic,” focused on strategies for providing services, communications, and donor relationship. Another webinar, “Vermont’s Philanthropic Response to COVID-19,” featured a panel of philanthropic leaders who shared the ways the sector is responding to the pandemic through grantmaking and supporting Vermont’s vulnerable populations.



The Nonprofit Resource Guide for Local ARPA Funds created after the Treasury released its Final Rule notes that the new guidance means that nonprofits need to make strategic asks. Common Good VT also encourages nonprofits to share their experience from the field on whether their towns have a decision-making process, are investing in nonprofits, or received or pursued local funds.

Resources from Common Good Vermont

- [Common Good Vermont Nonprofit Resource Guide for Local ARPA Funds](#)
- [COVID-19 Response Webinar Series for VT Nonprofits](#)

Considerations for Developing a Proposal

- How are decisions about ARPA spending being made in your municipality?
- How much funding did your municipality receive?
- Are you working with collaborators, or can you demonstrate community support for the project?
- How will you measure and report on the impact of the project?

[Common Good Vermont's Guide to Local ARPA Funds](#)

Washington

[What Nonprofits Want Government Partners to Know](#) is a project of **Washington Nonprofits** that demonstrates how nonprofits are vital to the state's economic and social recovery. To illustrate how "the American Rescue Plan (ARPA) offers a unique opportunity to invest in activities that strengthen our people, our communities, and our economy," the state association of nonprofits illustrated several recent [successful partnership stories between government and nonprofits](#). One [case study](#) involved Cheryl Smith with the Washington State Department of Commerce, who came to realize in getting CARES Act funding out to communities in need that the state had "a history of under-inclusion in funding nonprofits." The state then recognized that, "going forward, they needed to include nonprofits in the conversation because it's these organizations who are adept at understanding the needs of the communities they serve."

Recognizing the challenges of applying for government grants, Washington Nonprofits hosted a [3-part series](#) about government grant writing. This helped nonprofits identify whether they are "grant-ready," provided tools to prepare competitive proposals, and explained the requirements that may be associated with ARPA funding to meet them. They also hosted a webinar in Spanish on the grant writing process that is posted on the state association's "[How Nonprofits Can Access ARPA Funding](#)" page.

Resources from Washington Nonprofits

- [What Nonprofits Want Government Partners to Know](#)



WASHINGTON NONPROFITS

Government Grant Readiness

- What do you need to have in place to successfully apply?
- What do you need to know about your organization, the prospective funder, and grant before you apply?
- How do you determine if a grant is one you should pursue?

[Get Ready for ARPA Funding](#), Washington Nonprofits

- [How Nonprofits Can Access ARPA Funding](#)
- [Washington ARPA Funding Opportunities](#)
- [Information on Government Grant Workshop Series](#)

West Virginia

The **West Virginia Nonprofit Association** states the challenge for nonprofits at the outset of its online resources: “The American Rescue Plan Act (ARPA) is an opportunity for West Virginia to put the wellbeing of communities first. Our communities need help and nonprofits have been the bedrock of connecting with and uplifting West Virginia Communities, especially during times of crisis and recovery.” The state association of nonprofits goes farther and, in a recent call to action, urged nonprofits to “help state and local leaders in setting priorities and designing fund distribution processes that will ensure that those federal funds do the most good in the communities you serve.”



To provide support to frontline nonprofits, the West Virginia Nonprofit Association created and shared a [template letter](#) and a [list of contacts](#) for local government officials in West Virginia. It also put together [ARPA Topline Messages](#) and [10 Funding Principles for ARPA](#) to help nonprofits make the case for investment in their missions.

Resources from the West Virginia Nonprofit Association

- [ARPA – West Virginia resource page](#)
- [ARPA Topline Messages](#)
- [10 Funding Principles for ARPA](#)

Key Advocacy Tools

- Topline nonprofit messages on why to invest in WV nonprofits
- Municipality and commissioner contact lists
- Template letter from nonprofits

[ARPA – West Virginia resource page](#)