March 17, 2020

The Honorable Governor Mike Dunleavy
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Dunleavy:

Foraker appreciates your thoughtful response to the threat of the coronavirus in Alaska. We all recognize this is a fluid situation with significant impacts on everyone in Alaska. As the state’s nonprofit association, our interest is the 6,000 Alaska nonprofits and the communities they serve. Nonprofits are a major economic driver for Alaskans and their families, partnering with government in delivering essential services, leveraging public funds for maximum impact through public/private partnerships, investing in our communities, and helping ensure community well-being and quality of life for all Alaskans. Recognizing this, and that the sector employs 44,000 Alaskans – approximately 17% of the state’s workforce – I urge you to include nonprofits in the state’s COVID-19 response.

We are conducting a survey at this time to understand the immediate economic impact on our sector. I will share a summary with your team soon. In the meantime, please know that nonprofits are still at work serving vulnerable populations and caring for our communities. Specifically:

- Nonprofits, particularly service providers, are adapting quickly to new operating requirements and dealing with unanticipated impacts while still serving their clients.

- Our human services nonprofits are likely to face significantly increased demand for some time to come. For example, domestic violence providers expect increases in the need for services, including orders of protection; food banks expect a significant increase in food requests; homeless shelters and related service providers expect spikes in the need for their services; and mental healthcare nonprofits are already seeing increases in patient numbers.

- In many cases, organizations receiving Medicaid operate under inflexible contracts and do not have access to other funding sources such as private loans or lines of credit. They also may lack adequate reserves to weather the financial stress of this crisis. Their unique needs must be considered as we assess the economic impact of COVID-19.

- Nonprofits fill significant gaps in Alaska, yet they will face resource challenges from cancellations or postponement of fundraising events, a likely decrease in volunteerism, and impacts on their investments and donor giving caused by a declining stock market.

We urge you to consult with nonprofit leaders as you respond to this crisis, which ultimately will touch every Alaskan. Please consider the following as you develop your approach to this threat:

- Nonprofits are a trusted presence and communications pipeline for many of their constituencies – this is a resource you can draw on. At Foraker, we already are using our
communications and outreach systems to deploy information. We will assist your office in whatever ways might be helpful.

- Given the number of nonprofit employees in Alaska, we ask that the sector be included in planning for an economic stimulus program or incentives. Nonprofits like museums and performing arts organizations depend on customer revenue as much as any other business. And please keep in mind that nonprofits may not have access to extensive reserve funds, nor are they often eligible for commercial loans and other instruments.

- Nonprofits may have difficulty fulfilling their deliverables on state grants and contracts as they respond to this crisis. We ask that state agencies be as flexible with their contract terms and deadlines. This will position organizations to better focus on service delivery without facing reporting penalties and delays in receiving their funding. By avoiding disruptions in grants and contract, you reduce the chance that organizations may have to cut service or shut down completely. You also can help by encouraging flexibility in the requirements for the State Single Audit. In addition, we encourage you to follow the lead of the Office of Management and Budget in temporarily loosening grant and contract reporting, and application and renewal requirements. Those include:
  - No-cost extensions on expiring grant awards
  - Abbreviated non-competitive continuation requests
  - Allowing expenditure of award funds related to the public health emergency, including resumption of activity in the future and the appropriateness of future funding
  - Waivers from prior approval requirements
  - Exemption of certain procurement requirements
  - Extension of financial and other reporting
  - Extension of the Federal Single Audit submission

- The economic stress of this crisis makes staffing decisions for Alaska businesses and nonprofits difficult. We encourage the state to be flexible with workers who need access to unemployment insurance and state assistance programs.

Finally, we ask that you include a nonprofit representative on your Alaska Economic Stabilization Team (AEST). I am pleased to put myself forward for this appointment and commit to ensuring that your team has any information it may need to understand the economic impact on the sector and, ultimately, the impact this crisis will have on our communities. We know that Alaska’s response will be better and stronger when we all work together. You can count on Alaska’s nonprofit community to be a valued partner in your work, and you can count on Foraker to be a trusted resource.

Sincerely,

Laurie Wolf

Laurie Wolf, MNPL, CFRE
President/CEO