



June 14, 2021

Michael J. Heffernan, Secretary
Executive Office for Administration and Finance
24 Beacon Street, Room 373
Boston, MA 02133

Re: Unemployment Insurance Relief for Nonprofit Employers

Dear Secretary Heffernan:

The Alliance of Massachusetts YMCAs, the Providers' Council, and the Massachusetts Alliance of Boys and Girls Clubs are writing on behalf of our members to ask you to utilize a portion of the American Rescue Plan Act funding to offset the remaining unemployment insurance (UI) costs for nonprofit employers. Now that the legislature and Baker Administration have rectified the problems with the unemployment solvency fund for contributory employers, we ask that you turn your attention to the unprecedented and unexpected costs facing the nonprofit employers.

Today the state is nearing a full reopening and nonprofit employers, who are already facing labor shortages, are facing staggering UI bills. For example, one community-based human services organization noted UI claims of just \$25,935 for a four-month period in 2019. For that same four-month period in 2020, UI claims – due to the pandemic – rose to \$546,222, an increase of more than 2,000 percent. These bills are due on June 30th and our members remain hopeful that the Commonwealth will find a solution to these costs.

In response to the pandemic crisis, our members were forced to choose between laying off or furloughing staff and providing necessary services to our community. Our members provided those services to keep children learning, elders cared for, and the community fed. Most of our members are still reporting revenue shortage and program cuts fifteen months since the pandemic began and since stepping up to serve the Commonwealth.

The federal government provided nonprofits, municipalities, and Tribal entities that self-insure in Massachusetts, 50% relief of their UI costs. Through the American Rescue Plan, the government provided 75% relief from April 1 through September 6, 2021. However, the bills that are due on June 30th are still insurmountable in many cases. The YMCAs alone will owe over \$7 Million at the end of this month. Ten of the forty Boys and Girls Clubs in the state will owe around \$300,000.

The American Rescue Plan dollars create an opportunity for the Commonwealth to assist the nonprofits that stepped up and served during the pandemic. We ask that you utilize this funding to offset the remaining unemployment insurance costs for nonprofits.

Thank you,

Peter R. Doliber
CEO Alliance of Massachusetts YMCAs

Jenn Aldworth
Executive Director of the Massachusetts Alliance of Boys & Girls Clubs

Michael Weekes
President/CEO, Providers' Council