

Congress of the United States
Washington, DC 20515

June 3, 2020

Governor JB Pritzker
Office of the Governor
207 State House
Springfield, IL 62706

Dear Governor Pritzker,

We write today on behalf of the nonprofit human service organizations we represent to express concern that state agencies, including Illinois Department of Human Services (IDHS) and Illinois Department of Children and Family Services (IDCFS), have asked these organizations to report to the state the status of a Payment Protection Program (PPP) loan. The PPP was authorized by Congress in the CARES Act to allow businesses and nonprofits to keep employees on payroll and off unemployment, given the impact of coronavirus on our communities and these entities. Based on our understanding of new guidance issued by the state, these nonprofits will need to comply with the state reporting requirement in order to receive their expected payments from the state and risk a reduction of dollars awarded in current or future state contracts as a result of the PPP loan being forgiven in part or in whole. To our knowledge, currently, no other state is requiring human service providers to report to the state on the status of their PPP loan or tying these loan dollars to state funding.

As you are aware, the State of Illinois has consistently underfunded these nonprofit service providers. Many nonprofit organizations must raise significant charitable dollars to fund the gap between the level of reimbursement provided by government contracts and the actual cost of care. The COVID-19 pandemic has resulted in the cancellation of fund-raising events and an overall decrease in the charitable donations needed for the survival of nonprofit organizations.

The PPP loans, including any portion that is forgiven, is to be of full benefit to the private organizations that have applied for and received them. It is Congress' intent to allow private non-profit agencies to use any forgivable amount of the PPP to help cover the gap between the level of reimbursement provided by government contracts and the actual cost of care. This is being done to allow these organization to be able to weather the long-term economic impact of the pandemic and keep their employees working and paid.

Congress did not intend funds from the PPP to be used by states to supplement their budgets or offset dollars states typically pay for services through private nonprofit service providers. The state's assertion that it may have the ability to deduct an amount equivalent to any funds nonprofit organizations receive through PPP from what they are paid in their contracts – is a clear overreach.

We urge you to direct your state departments to withdraw their request for information about PPP dollars and allow these funds to be used according to congressional intent as outlined above. Nonprofit human service providers should not be penalized for their efforts to maintain their operations during this crisis by a state agency that already counts on nonprofit organizations to supplement the cost of care for children for whom the state has legal responsibility.

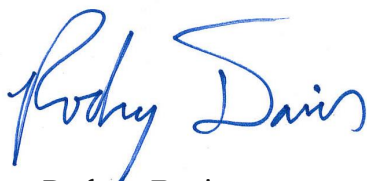
Sincerely,



Darin LaHood
Member of Congress



Mike Bost
Member of Congress



Rodney Davis
Member of Congress



Adam Kinzinger
Member of Congress



John Shimkus
Member of Congress