

116TH CONGRESS  
2D SESSION

# S. 3747

To help charitable nonprofit organizations provide services to meet the increasing demand in community needs caused by the coronavirus pandemic, preserve and create jobs in the nonprofit sector, reduce unemployment, and promote economic recovery.

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## IN THE SENATE OF THE UNITED STATES

MAY 14, 2020

Ms. KLOBUCHAR (for herself, Mr. SCHATZ, Mr. WYDEN, Mr. BROWN, Mr. CARPER, Mr. MARKEY, Mr. MERKLEY, Ms. DUCKWORTH, Mr. BLUMENTHAL, and Mr. COONS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To help charitable nonprofit organizations provide services to meet the increasing demand in community needs caused by the coronavirus pandemic, preserve and create jobs in the nonprofit sector, reduce unemployment, and promote economic recovery.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Work Opportunities  
5 and Resources to Keep Nonprofit Organizations Well Act”  
6 or the “WORK NOW Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds as follows:

3 (1) Charitable nonprofit organizations serve on  
4 our society's frontlines in good times and bad. Col-  
5 lectively, nonprofit organizations employ more than  
6 12,000,000 Americans.

7 (2) As the nation confronts the coronavirus  
8 pandemic and the attendant economic crisis and re-  
9 covery, communities throughout the United States  
10 will rely on nonprofit organizations more than ever  
11 to help more people in more challenging cir-  
12 cumstances.

13 (3) Nonprofit shelters, food banks, domestic vi-  
14 olence services, early childhood care and education  
15 centers, and after-school facilities are being called to  
16 feed, house, and care for the people whose lives have  
17 been disrupted by illness, job loss, and closures.

18 (4) Charitable nonprofit organizations are being  
19 confronted by a combination of contradictory forces,  
20 exponentially increasing demand and devastating de-  
21 creases in revenues.

22 (5) At the same time that need is soaring,  
23 many nonprofit organizations are unable to host  
24 fundraising events, which threatens an essential  
25 source of revenue. Charitable giving has also become

1 more precarious as American families conserve re-  
2 sources in the face of the economic crisis.

3 (6) Without immediate and longer-term re-  
4 sources to keep their doors open to meet ever-in-  
5 creasing needs, many nonprofit organizations will  
6 cease to exist for people in local communities  
7 throughout the country.

8 (7) In order to meet the needs of the  
9 coronavirus pandemic and drive recovery, many non-  
10 profit organizations must innovate and create new  
11 models of service delivery.

12 (8) More than 36,000,000 American workers  
13 lost their jobs and filed for unemployment benefits  
14 in the 8 weeks following March 15, 2020.

15 (9) Providing these newly unemployed workers  
16 the opportunity to find employment at nonprofit or-  
17 ganizations in their local communities will benefit  
18 these workers, nonprofit organizations, and the peo-  
19 ple these organizations serve.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

22 (1) **ELIGIBLE NONPROFIT ORGANIZATIONS.**—  
23 The term “eligible nonprofit organization” means an  
24 entity that is described in section 501(c)(3) of the

1 Internal Revenue Code of 1986 and exempt from  
2 taxation under section 501(a) of such Code.

3 (2) INDIAN TRIBE.—The term “Indian Tribe”  
4 has the meaning given the term “Indian tribe” in  
5 section 102 of the Housing and Community Devel-  
6 opment Act of 1974 (42 U.S.C. 5302).

7 (3) INTERMEDIARY.—The term “intermediary”  
8 means a national or regional nonprofit organization  
9 that provides administrative and supportive services  
10 to its network of affiliates, members, or branches,  
11 which may include pass-through funding, training,  
12 and technical assistance.

13 (4) LOCAL GOVERNMENT.—The term “local  
14 government” has the meaning given the term “unit  
15 of local government” in section 102 of the Housing  
16 and Community Development Act of 1974 (42  
17 U.S.C. 5302).

18 (5) SECRETARY.—The term “Secretary” means  
19 the Secretary of the Treasury.

20 (6) STATE.—The term “State” has the mean-  
21 ing given the term in section 102 of the Housing  
22 and Community Development Act of 1974 (42  
23 U.S.C. 5302).

1 **SEC. 4. ESTABLISHMENT OF WORK NOW GRANT PROGRAM.**

2       The Secretary of the Treasury shall establish a pro-  
3 gram in accordance with this Act to award grants for the  
4 purpose of providing emergency relief to eligible nonprofit  
5 organizations, particularly those organizations whose  
6 workers are serving public needs that have increased as  
7 a result of the coronavirus pandemic and the attendant  
8 economic crisis, by helping such organizations scale their  
9 services and put unemployed individuals back to work  
10 serving their communities.

11 **SEC. 5. GRANTS TO STATES, LOCAL GOVERNMENTS, AND**  
12 **INDIAN TRIBES.**

13       (a) FORMULA.—

14           (1) IN GENERAL.—The Secretary shall dis-  
15 tribute 78 percent of the amounts appropriated  
16 under section 10 as block grants to States and local  
17 governments, based on a formula developed by the  
18 Secretary that is consistent with the formula under  
19 section 106 of the Housing and Community Devel-  
20 opment Act of 1974 (42 U.S.C. 5306), for distribu-  
21 tion through grants to eligible nonprofit organiza-  
22 tions.

23           (2) INDIAN TRIBES.—The Secretary shall dis-  
24 tribute 2 percent of the amounts appropriated under  
25 section 10 as block grants to Indian Tribes based on  
26 a formula developed by the Secretary that is con-

1       sistent with the formula for the Indian Community  
2       Development Block Grant Program authorized  
3       under title I of the Housing and Community Devel-  
4       opment Act of 1974 (42 U.S.C. 5301 et seq.), not-  
5       withstanding section 106(a)(1) of such Act (42  
6       U.S.C. 5306(a)(1)), for distribution through grants  
7       to eligible nonprofit organizations.

8       (b) APPLICATIONS.—An eligible nonprofit organiza-  
9       tion seeking a grant from a State, local government, or  
10      Indian Tribe receiving funding under subsection (a) shall  
11      submit an application to the State, local government, or  
12      Indian Tribe at such time, in such manner, and containing  
13      such information as the State, local government, or Indian  
14      Tribe may reasonably require.

15      (c) LIMITATION ON GRANT AMOUNTS.—In awarding  
16      grants under this section, a State, local government, or  
17      Indian Tribe receiving funding under subsection (a) shall  
18      have discretion to set the size of each grant to an eligible  
19      nonprofit organization, except each such grant shall not  
20      exceed \$3,000,000.

21      (d) SELECTION.—A State, local government, or In-  
22      dian Tribe receiving funding under subsection (a), in  
23      awarding grants to eligible nonprofit organizations,  
24      shall—

1           (1) give priority to such organizations that  
 2           serve public needs that have increased as a result of  
 3           the coronavirus pandemic and associated economic  
 4           crisis, including—

5                   (A) organizations that provide housing and  
 6                   emergency shelter;

7                   (B) organizations that provide food insecu-  
 8                   rity; and

9                   (C) direct services organizations that pro-  
 10                  vide services to individuals in order to help  
 11                  them stabilize their lives and find self-suffi-  
 12                  ciency through providing for basic needs, such  
 13                  as housing, emergency shelter, food, water,  
 14                  clothing, transportation, child care, and out-of-  
 15                  school time youth service providers;

16           (2) give priority to such organizations located  
 17           in rural areas; and

18           (3) ensure that a significant proportion of such  
 19           grants are awarded to eligible nonprofit organiza-  
 20           tions that are able to scale services quickly and hire  
 21           new workers.

22 **SEC. 6. GRANTS TO INTERMEDIARIES.**

23           (a) IN GENERAL.—The Secretary shall distribute 20  
 24           percent of the amounts appropriated under section 10  
 25           through grants to intermediaries.

1 (b) APPLICATIONS.—An intermediary seeking a grant  
 2 under this section—

3 (1) may seek such grant on behalf of—

4 (A) the intermediary;

5 (B) the network of affiliates, members, or  
 6 branches of the intermediary; or

7 (C) the intermediary and the network de-  
 8 scribed in subparagraph (B); and

9 (2) shall submit an application to the Secretary  
 10 at such time, in such manner, and containing such  
 11 information as the Secretary may reasonably re-  
 12 quire, including an assurance that the intermediary  
 13 has systems in place to disburse funds efficiently.

14 (c) GRANT AMOUNTS.—

15 (1) IN GENERAL.—Subject to paragraphs (2)  
 16 and (3), in awarding grants under this section, the  
 17 Secretary shall have the discretion to determine the  
 18 amount of each grant.

19 (2) LIMITATION.—Subject to paragraph (3), a  
 20 grant awarded under this section shall not exceed  
 21 \$100,000,000.

22 (3) ADDITIONAL FUNDING FOR HIRING NEW  
 23 EMPLOYEES.—The Secretary may award a grant  
 24 under this section that exceeds the maximum  
 25 amount under paragraph (2), but does not exceed



1       \$300,000,000, if the intermediary demonstrates in  
2       the application under subsection (b) that the inter-  
3       mediary intends to use the difference between the  
4       amount awarded through the grant and the max-  
5       imum amount under paragraph (2) for hiring em-  
6       ployees after the date of enactment of this Act.

7       (d) SELECTION.—In awarding grants under this sec-  
8       tion, the Secretary shall—

9               (1) give the same priority to intermediaries as  
10       States, local governments, and Indian Tribes are re-  
11       quired to give to eligible nonprofit organizations  
12       under section 5(d)(1);

13              (2) ensure that all intermediaries that receive  
14       grants under this section are able to scale services  
15       quickly and hire new workers; and

16              (3) give special consideration to intermediaries  
17       with a history of dispersing funds, staffing that is  
18       sufficient to ensure compliance, and a history of  
19       working with communities most impacted by the  
20       coronavirus pandemic.

21       **SEC. 7. USES OF FUNDS.**

22       (a) EMPLOYEE COMPENSATION COSTS.—

23              (1) IN GENERAL.—Subject to paragraph (2),  
24       each eligible nonprofit organization or intermediary  
25       receiving funding under this Act (and any entity re-

1       ceiving funding through such intermediary) shall  
2       (subject to subsection (c)) use not less than 60 per-  
3       cent of the funds of the grant for employee com-  
4       pensation costs, including—

5               (A) wages and salaries, not to exceed  
6       \$50,000;

7               (B) benefits, including paid sick leave; and

8               (C) worker protections, including protective  
9       personal equipment.

10       (2) LIMITATIONS.—

11               (A) IN GENERAL.—The employee com-  
12       pensation costs described in paragraph (1)  
13       shall, with respect to an eligible nonprofit orga-  
14       nization or intermediary receiving funding  
15       under this Act (and any entity receiving fund-  
16       ing through such intermediary) that is not de-  
17       scribed in subparagraph (B), shall only be for  
18       employees hired after the date of enactment of  
19       this Act, including any such employee with  
20       whom the organization, intermediary, or entity  
21       has terminated employment, or placed on fur-  
22       lough, at any time prior to such date of enact-  
23       ment.

24               (B) ORGANIZATIONS IN FINANCIAL DIS-  
25       TRESS.—

1 (i) IN GENERAL.—The employee com-  
2 pensation costs described in paragraph (1)  
3 may, with respect to an eligible nonprofit  
4 organization or intermediary receiving  
5 funding under this Act (and any entity re-  
6 ceiving funding through such intermediary)  
7 that is described in clause (ii), be for em-  
8 ployees described in subparagraph (A) or  
9 employees who were hired prior to the date  
10 of enactment of this Act.

11 (ii) DEMONSTRATION OF FINANCIAL  
12 DISTRESS.—An eligible nonprofit organiza-  
13 tion or intermediary receiving funding  
14 under this Act (or any entity receiving  
15 funding through such intermediary) is de-  
16 scribed in this clause if—

17 (I) the organization, inter-  
18 mediary, or entity asserts in the appli-  
19 cation submitted under section 5(b),  
20 or section 6(b), as applicable, that the  
21 use of such funds to pay employee  
22 costs for employees hired prior to the  
23 date of enactment of this Act is nec-  
24 essary due to financial limitations re-

1 sulting from the coronavirus pandemic  
2 and attendant economic crisis; and

3 (II) the State, local government,  
4 or intermediary awarding the funds  
5 agrees with the assertion under sub-  
6 clause (I), considering such criteria  
7 and under such procedures as the  
8 Secretary may prescribe.

9 (3) GUIDANCE ON EMPLOYEE COMPENSA-  
10 TION.—The Secretary may provide guidance on  
11 items that are included as employee compensation  
12 under paragraph (1).

13 (b) OPERATING AND PROGRAMMATIC COSTS.—Each  
14 eligible nonprofit organization or intermediary receiving  
15 funding under this Act (and any entity receiving funding  
16 through such intermediary) may use not more than 40  
17 percent of the funding to cover operating costs (such as  
18 rent, utilities, insurance policies, and maintenance) and  
19 programmatic costs, including costs associated with online  
20 service delivery.

21 (c) INNOVATIVE MODELS.—Any eligible nonprofit or-  
22 ganization or intermediary receiving a grant under this  
23 Act (and any entity receiving funding through such inter-  
24 mediary) may use a portion of the funds awarded through  
25 such grant for employee compensation costs under sub-

1 section (a) to innovate and create new service delivery  
2 models to meet the needs of the crisis resulting from the  
3 coronavirus pandemic.

4 **SEC. 8. OVERSIGHT, SUPERVISION, AND REPORTS.**

5 (a) IN GENERAL.—The Secretary shall supervise the  
6 distribution of funding under this Act to ensure that such  
7 funding is being used for purposes consistent with the pur-  
8 poses of this Act.

9 (b) SHARING.—Each State, local government, or In-  
10 dian Tribe that receives funding under this Act shall sub-  
11 mit to the Secretary a list of all recipients of grants under  
12 this Act that were made by the State, local government,  
13 or Indian Tribe. The Secretary shall make all such lists  
14 publicly available.

15 (c) OVERSIGHT.—The Inspector General of the De-  
16 partment of the Treasury shall conduct monitoring and  
17 oversight of the receipt, disbursement, and use of funds  
18 made available under this Act in the same manner as the  
19 Inspector General conducts monitoring and oversight of  
20 the receipt, disbursement, and use of funds made available  
21 under 601(f) of the Social Security Act, as added by sec-  
22 tion 5001(a) of the CARES Act (Public Law 116–136).

23 **SEC. 9. TIMING AND PROGRAM DURATION.**

24 (a) IN GENERAL.—Not later than 30 days after the  
25 date of enactment of this Act, the Secretary shall disburse

1 funding to States, local governments, and Indian Tribes  
2 under section 5.

3 (b) GRANTS TO ELIGIBLE NONPROFIT ORGANIZA-  
4 TIONS.—Not later than 60 days after receiving funding  
5 from the Secretary under section 5, each State, local gov-  
6 ernment, or Indian Tribe receiving such funding shall  
7 award grants to eligible nonprofit organizations that apply  
8 for such grants in accordance with such section.

9 (c) INTERMEDIARIES.—Not later than 60 days after  
10 the date of enactment of this Act, the Secretary shall dis-  
11 burse grants to intermediaries that apply for a grant  
12 under section 6 in accordance with such section.

13 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

14 There is authorized to be appropriated to carry out  
15 this Act \$50,000,000,000 to remain available through the  
16 date that is 1 year after the date on which such funds  
17 are appropriated.

○