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.

IN THE SENATE OF THE UNITED STATES
MARCH 11, 2021
Ms. KLOBUCHAR (for herself, Mr. SCHATZ, Mr. WYDEN, Mr. BROWN, Mr. COONS, Ms. BALDWIN, Ms. DUCKWORTH, Mrs. FEINSTEIN, Mr. MARKEY, Mr. MERKLEY, Mr. BLUMENTHAL, Mr. CASEY, and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Work Opportunities and Resources to Keep Nonprofit Organizations Well Act” or the “WORK NOW Act”.

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117TH CONGRESS
1ST SESSION
S. 740

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.
SEC. 2. FINDINGS.

Congress finds as follows:

(1) Charitable nonprofit organizations serve on our society’s frontlines in good times and bad. Collectively, nonprofit organizations employed more than 12,000,000 Americans prior to the pandemic.

(2) As the nation confronts the coronavirus pandemic and the attendant economic crisis and recovery, communities throughout the United States will rely on nonprofit organizations more than ever to help more people in more challenging circumstances.

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

(4) Charitable nonprofit organizations are being confronted by a combination of contradictory forces, exponentially increasing demand and devastating decreases in revenues.

(5) At the same time that need is soaring, many nonprofit organizations are unable to host fundraising events, which threatens an essential source of revenue. Charitable giving has also become
more precarious as American families conserve resources in the face of the economic crisis.

(6) Without immediate and longer-term resources to keep their doors open to meet ever-increasing needs, many nonprofit organizations will cease to exist for people in local communities throughout the country.

(7) In order to meet the needs of the coronavirus pandemic and drive recovery, many nonprofit organizations must innovate and create new models of service delivery.

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

(9) As of January 2021, more than 950,000 nonprofit organization jobs have been lost during the pandemic, according to the Johns Hopkins Center for Civil Society Studies.

(10) Providing these newly unemployed workers the opportunity to find employment at nonprofit organizations in their local communities will benefit these workers, nonprofit organizations, and the people these organizations serve.

SEC. 3. DEFINITIONS.

In this Act:
(1) **Eligible Nonprofit Organizations.**—The term “eligible nonprofit organization” means an entity, other than an intermediary, that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

(2) **Indian Tribe.**—The term “Indian Tribe” has the meaning given the term “Indian tribe” in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

(3) **Intermediary.**—The term “intermediary” means an entity, described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code, that is—

(A) a national or regional nonprofit organization that operates in multiple locations throughout the United States, or a region of the United States, as a single legal entity and directly employs more than 500 employees; or

(B) a national or regional nonprofit organization that provides administrative and supportive services to its network of affiliates, members, or branches, which may include pass-
through funding, training, and technical assistance.

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

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

(6) STATE.—The term “State” has the meaning given the term in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

SEC. 4. ESTABLISHMENT OF WORK NOW GRANT PROGRAM.

The Secretary of the Treasury shall establish a program in accordance with this Act to award grants for the purpose of providing emergency relief to eligible nonprofit organizations and intermediaries, particularly those organizations and intermediaries whose workers are serving public needs that have increased as a result of the coronavirus pandemic and the attendant economic crisis, by helping such organizations and intermediaries scale their services and put unemployed individuals back to work serving their communities.
(a) **FORMULA.**—

(1) **IN GENERAL.**—The Secretary shall distribute 78 percent of the amounts appropriated under section 10 as block grants to States and local governments, based on a formula developed by the Secretary that is consistent with the formula under section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306), for distribution through grants to eligible nonprofit organizations.

(2) **INDIAN TRIBES.**—The Secretary shall distribute 2 percent of the amounts appropriated under section 10 as block grants to Indian Tribes based on a formula developed by the Secretary that is consistent with the formula for the Indian Community Development Block Grant Program authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), notwithstanding section 106(a)(1) of such Act (42 U.S.C. 5306(a)(1)), for distribution through grants to eligible nonprofit organizations.

(b) **APPLICATIONS.**—An eligible nonprofit organization seeking a grant from a State, local government, or Indian Tribe receiving funding under subsection (a) shall
submit an application to the State, local government, or Indian Tribe at such time, in such manner, and containing such information as the State, local government, or Indian Tribe may reasonably require.

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

(d) SELECTION.—A State, local government, or Indian Tribe receiving funding under subsection (a), in awarding grants to eligible nonprofit organizations, shall—

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

(A) organizations that provide housing and emergency shelter;

(B) organizations that provide public health or patient and caregiver support services and are not hospital organizations to which section 501(r) of the Internal Revenue Code of 1986 applies;
(C) arts and cultural organizations;

(D) organizations that address food insecurity;

(E) organizations that provide supplemental educational services to children, including tutoring, social emotional development activities, and other extracurricular activities to compensate for learning loss and other disruptions due to the pandemic;

(F) direct services organizations that provide services to individuals in order to help them stabilize their lives and find self-sufficiency through providing for basic needs, such as housing, emergency shelter, food, water, clothing, transportation, child care, and out-of-school time youth service providers; and

(G) organizations that serve rural areas;

and

(2) ensure that a significant proportion of such grants are awarded to eligible nonprofit organizations that are able to scale services quickly and hire back former employees and new workers.
SEC. 6. GRANTS TO INTERMEDIARIES.

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

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

(1) may seek such grant on behalf of—

(A) the intermediary;

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

(C) the intermediary and the network described in subparagraph (B); and

(2) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require, including an assurance that the intermediary has systems in place to disburse funds efficiently.

(c) GRANT AMOUNTS.—

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

(2) LIMITATION.—Subject to paragraph (3), a grant awarded under this section shall not exceed $100,000,000.
(3) ADDITIONAL FUNDING FOR HIRING NEW EMPLOYEES.—The Secretary may award a grant under this section that exceeds the maximum amount under paragraph (2), but does not exceed $300,000,000, if the intermediary demonstrates in the application under subsection (b) that the intermediary intends to use the difference between the amount awarded through the grant and the maximum amount under paragraph (2) for hiring employees after the date of enactment of this Act.

(d) SELECTION.—In awarding grants under this section, the Secretary shall—

(1) give the same priority to intermediaries as States, local governments, and Indian Tribes are required to give to eligible nonprofit organizations under section 5(d)(1);

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

(3) give special consideration to intermediaries with a history of dispersing funds, staffing that is sufficient to ensure compliance, and a history of working with communities most impacted by the coronavirus pandemic.
SEC. 7. USES OF FUNDS.

(a) Employee Compensation Costs.—

(1) In general.—Subject to paragraph (2), each eligible nonprofit organization or intermediary receiving funding under this Act (and any entity receiving funding through such intermediary) shall (subject to subsection (c)) use not less than 60 percent of the funds of the grant for employee compensation costs, including—

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

(B) benefits, including paid sick leave; and

(C) worker protections, including protective personal equipment.

(2) Limitations.—

(A) In general.—The employee compensation costs described in paragraph (1) shall, with respect to an eligible nonprofit organization or intermediary receiving funding under this Act (and any entity receiving funding through such intermediary) that is not described in subparagraph (B), shall only be for employees hired after the date of enactment of this Act, including any such employee with whom the organization, intermediary, or entity has terminated employment, or placed on fur-
lough, at any time prior to such date of enact-
ment.

(B) ORGANIZATIONS IN FINANCIAL DIS-
TRESS.—

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

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

(I) the organization, inter-
mediary, or entity asserts in the appli-
cation submitted under section 5(b),
or section 6(b), as applicable, that the
use of such funds to pay employee
costs for employees hired prior to the
date of enactment of this Act is nec-
essary due to financial limitations re-
sulting from the coronavirus pandemic
and attendant economic crisis; and

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

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

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

(c) INNOVATIVE MODELS.—Any eligible nonprofit or-
ganization or intermediary receiving a grant under this
Act (and any entity receiving funding through such intermediary) may use a portion of the funds awarded through such grant for employee compensation costs under subsection (a) to innovate and create new service delivery models to meet the needs of the crisis resulting from the coronavirus pandemic.

SEC. 8. OVERSIGHT, SUPERVISION, AND REPORTS.

(a) In General.—The Secretary shall supervise the distribution of funding under this Act to ensure that such funding is being used for purposes consistent with the purposes of this Act.

(b) Sharing.—Each State, local government, or Indian Tribe that receives funding under this Act shall submit to the Secretary a list of all recipients of grants under this Act that were made by the State, local government, or Indian Tribe. The Secretary shall make all such lists publicly available.

(c) Oversight.—The Inspector General of the Department of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of funds made available under this Act in the same manner as the Inspector General conducts monitoring and oversight of the receipt, disbursement, and use of funds made available under 601(f) of the Social Security Act, as added by section 5001(a) of the CARES Act (Public Law 116–136).
SEC. 9. TIMING AND PROGRAM DURATION.

(a) In General.—Not later than 30 days after the date of enactment of this Act, the Secretary shall disburse funding to States, local governments, and Indian Tribes under section 5.

(b) Grants to Eligible Nonprofit Organizations.—Not later than 60 days after receiving funding from the Secretary under section 5, each State, local government, or Indian Tribe receiving such funding shall award grants to eligible nonprofit organizations that apply for such grants in accordance with such section.

(c) Intermediaries.—Not later than 60 days after the date of enactment of this Act, the Secretary shall disburse grants to intermediaries that apply for a grant under section 6 in accordance with such section.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $50,000,000,000, to remain available until expended.

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