



August 24, 2021

To: SC House ARPA & SRS Ad-Hoc Committee Members - Rep. Bruce Bannister, Chair
From: Together SC - Madeleine McGee, President/CEO

Representing over 800 nonprofit organizations, philanthropic partners, and supporting businesses, Together SC encourages the Legislature to include a nonprofit grant program in their allocation of the state's American Rescue Plan Act (ARPA) dollars.

The Need:

While the state targets key needs with ARPA funds, such as broadband, job training / stabilization, infrastructure, tourism, and health/human services - the nonprofit sector stands ready to assist the state in meeting these objectives. Nonprofits provide many of the “wrap around services” that help make these priorities a reality. Without local nonprofits, communities are unable to tackle some of their most pressing challenges related to their recovery from COVID-19's economic impact.

Request:

1. **Create and fund, at a meaningful level, a named nonprofit grants program - SC Acceleration Grants Program - with two funding objectives:**
 - a. Coordinating ARPA funded initiatives with nonprofit partners to meet legislative priorities.
 - b. Completing work begun by SC CARES Grant Program and providing local wrap-around support services across multiple sectors.
2. Strongly consider **engaging the nonprofit and philanthropic community** to assist in the creation and implementation of the grants program.

Shared Objectives: Together SC and the state share similar objectives related to the use of ARPA funds:

1. Focus ARPA funds on accelerating South Carolina's growth.
2. Help stabilize and grow employment across sectors.
3. Provide nonprofit grants in a simple, coordinated manner.
4. Limit burden on and unnecessary growth of state agencies.
5. Achieve accountability, transparency and localized impact.

Nonprofit Grant Program Objectives: Together SC believes, in addition the shared objectives shared with the state, that a nonprofit grant program should accomplish the following:

1. Build upon the work and lessons learned from the CARES Act grant program.
2. Be inclusive of all sectors of the nonprofit industry.
3. Provides access to nonprofits in every corner of the state.
4. Utilizes the nonprofit and philanthropic expertise already in place across the state.
5. Create positive momentum, and public awareness, around the work being done to address key issues in our state.

CARES Act Look Back:

- State invested \$25 million, with \$75 million requested in 2020.
 - 1,500+ applications, 686 awards
 - *Updated Lens:* The \$50 million gap in need is greater today than it was in 2020 due to continued COVID impacts.
- Funds were reimbursement based; limited to seven priority service areas; and excluded those who received other federal support, even if funds were to support different projects.
- Grant process was based on qualifications and checkboxes, and did not rely on applicant review or knowledge of local nonprofits.
 - Led to inconsistencies in grant awards.
- Final reports were not required to determine full impact.
- There was little recognition of funding or of work being supported by the State in the media.

Benefits to Utilizing the Nonprofit and Philanthropic Sector:

- Offers the ultimate public-private partnership that is transparent, responsive and accountable for achieving our state's vision.
- Reduces risk and limits costs by aligning processes with industry standards and compliance up front.
- Will support wrap-around services that enable sustainable growth and restoration of the workforce.
- Brings in critical third-party accountability.
- Leverages existing trusted relationships and efficient grants systems.
- Builds long-term capacity statewide.
- Increases visibility and appreciation.

Benefits to the State:

We believe that Together SC can assist the state in crafting a nonprofit grant program that helps achieve the following:

- Named program emphasizes State leadership over Federal.
- Stabilizes employment across multiple sectors.

- Maintains smaller government role by reducing burden on, and the growth of, state agencies.
- Provides nonprofit grants in a simple, coordinated manner with:
 - Effective distribution using a competitive model;
 - Prevention of duplication;
 - Collection and analysis of impact data and stories;
 - Guidehouse's oversight to reduce risk;
 - Increased transparency and accountability;
 - Visibility in communities;
 - Localized impact.