What is the status of each sector right now?
Nonprofit organizations touch the lives of each Maine person nearly every day and play a vital role in the state’s economy and provision of services. Maine's nonprofits have and continue to step up without hesitation to serve their communities, to protect public health and to support their own employees during this COVID-19 crisis. And as the state’s largest private sector industry, nonprofits still need immediate contracting, budget, staffing and programming flexibility and timely resources from the state, local governments and philanthropy to be able to continue this work through the months ahead.

Under Maine law, nonprofits (501c3) are given the option to forego contributions to the unemployment compensation fund, and to reimburse the fund for benefits paid to their employees (“self-fund their unemployment”) 26 MRSA 1221. Nonprofit employers often elect this reimbursement option because they rarely have a large number of layoffs. During the unprecedented COVID-19 crisis and through no fault of their own, many nonprofits have had to or will have to lay off or fire employees.

Currently, there is a crisis facing Maine's charitable nonprofits who have elected to self-insure and reimburse the state unemployment insurance trust fund for the amount of benefits any terminated or laid off employees claim.

The CARES Act provided for 50% relief for these unemployment claims, but the remaining 50% has proven an unbearable burden for many of these nonprofit employers. (Current US DOL guidance says states must require self-insured nonprofits to reimburse their UI trust funds for 100% of their COVID-19 related UI claims upfront and then seek reimbursement from their already overburdened state UI trust funds of 50% of those payments.)

Under normal circumstances, nonprofits might use their operating reserves to provide the capital for this payment. However, this process will be particularly problematic during and after the COVID-19 crisis, since many nonprofits have already exhausted any operating reserves they may have had to mitigate immediate financial losses (otherwise, they probably would not have had to lay off or furlough staff in the first place).

What do the sectors within your sub-committees need right now to endure the current crisis (i.e. are there areas you expect to make recommendations on in the coming weeks)?
- The state should offer maximum flexibility in payment options for self-insured nonprofits and provide relief from burdensome payments that threaten their ability to operate.