Statement of Linda M. Czipo  
President & CEO, Center for Non-Profits  

to the Assembly Appropriations Committee  
The Honorable John Burzichelli, Chairperson  
May 11, 2020  
Re: A-3996

To Chairman Burzichelli and members of the Assembly Appropriations Committee,

The Center for Non-Profits, New Jersey’s statewide umbrella organization for the charitable non-profit community, strongly supports A-3996. This bill would allow state agencies that contract with non-profits to waive penalties for failure to perform services due to the COVID-19 pandemic.

The impact of the COVID-19 pandemic on New Jersey’s charitable non-profit community has been immediate and devastating. Nearly all of the organizations responding to our recent rapid response surveys have reported severe or moderate disruptions to their programs or operations as a result of the crisis, with many already reporting crippling financial losses and staff layoffs.1

The public health emergency and the resulting necessary government directives have dramatically altered how, or whether, services can be performed. As a result, non-profits may have difficulty fulfilling their deliverables on a state contract/grant due to the impacts of the behavior changes needed to respond to the public health emergency, as well as the ripple effects through the economy.

Since the pandemic itself and the measures required to contain it could not have possibly been anticipated in advance, it’s essential that organizations not be penalized for the resulting inability to fulfill the original contract terms. It’s also important to provide the flexibility to allow non-profits to address new priorities or unforeseen needs or expenses stemming from the outbreak.

A-3996 would permit state agencies to provide a waiver of any penalty provided in the contract or agreement for the failure of the non-profit organization to fulfill the terms and conditions if the failure is due to the COVID-19 emergency and the Governor’s Executive Order 103, and the failure occurred during, or within the six-month period immediately following, the emergencies. A non-profit would need to request the waiver of the state agency, including documentation to demonstrate that its failure to fulfill or comply with the contract was affected by the COVID-19 emergency and EO103.

Even before the pandemic hit, non-profits were facing ongoing challenges of meeting steadily rising demand for services with resources that had not kept pace. The COVID-19 pandemic has exacerbated this situation exponentially. A-3996 would provide the opportunity for state-partnered non-profits to seek desperately needed relief.

We thank Assemblywoman Lopez for sponsoring this important bill and ask that you give it your full support. Thank you for your consideration.

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