



NEW JERSEY STATE BAR ASSOCIATION

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Honorable Nancy Pelosi, Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

Honorable Mitch McConnell, Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

Honorable Kevin McCarthy, Minority Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

Honorable Charles Schumer, Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Re: Emergency Aid to Assist 501(c)(6) Organizations

Dear Speaker Pelosi and Leaders McConnell, McCarthy and Schumer:

I am the President of the New Jersey State Bar Association (NJSBA) – a 501(c)(6) nonprofit organization with a membership of over 18,000 New Jersey legal professionals. Today, I implore you to consider emergency aid to assist associations like the NJSBA, which is providing critical educational and professional support to its attorney members, and much-needed information and guidance to the public.

Specifically, I am requesting that \$25 billion be set aside in the next coronavirus package to aid trade and professional associations that face financial losses from cancelled conferences and events; that 501(c)6 organizations be eligible to access small business interruption loans that prevent layoffs and allow them to continue to pay employees; and that a pandemic risk insurance program be created to provide a federal backstop for prospective insurance claims related to a pandemic or epidemic.

While the Coronavirus Aid, Relief and Economic Security (CARES) Act offered a stimulus to 501(c)(3) charitable nonprofit organizations through the Paycheck Protection Program (PPP) and the employer payroll tax deferment to ensure their continued operation, ***as a 501(c)(6) organization, the NJSBA is unable to participate in these important benefits.***

I am proud of the work the NJSBA has done to support its members and the public during this health crisis. With our assistance, attorney members can continue to provide legal services and advice to their clients in this tumultuous time. In order to continue to provide that support as well as information to the public, we and organizations like ours will require financial assistance to account for the significant loss of revenue we have sustained during this crisis.

Since the beginning of the COVID-19 crisis, the NJSBA has mobilized resources to:

- Provide up-to-date education on the quickly changing legal landscape;
- Work with the Judiciary to implement virtual court proceedings, relax paper and in-person requirements, and extend deadlines to allow for the orderly and continued operation of the Courts and delivery of justice to New Jersey residents;
- Advocate in support of the people our members serve, like supporting changes to the guardianship rules to ensure New Jersey citizens in need of protection get it;
- Facilitate forums for the exchange of information about best practices, both for handling legal matters and to address business issues, during the pandemic;
- Advocate for the tools and resources necessary for our members to offer needed services to their clients, like remote notary provisions and virtual legal proceedings;
- Make financial information and resources available to members to enable them to keep their firms in business and keep the economy strong;
- Offer mental and emotional support to our members trying to cope with the personal and professional stress brought on by these unique circumstances; and
- Organize our members to assist those who are unable to afford an attorney but who have a myriad of legal questions and issues.

As a conduit of information among legal professionals and the three branches of government, the NJSBA has been at the forefront of efforts to ensure attorneys remain able to offer sound guidance, advice and representation to their clients, ensuring the most fundamental rights of New Jersey's citizens are preserved.

In the words of New Jersey Supreme Court Chief Justice Stuart Rabner and New Jersey Judiciary Acting Administrative Director Glenn A. Grant:

“[T]he responsibility to provide [the public] a fair forum and address their disputes – even at the most challenging times – falls on the Judiciary. A comparable responsibility falls on New Jersey attorneys, who must provide the services necessary for the public to pursue relief. This is especially true during a prolonged public health emergency.”

Without the availability of the PPP or similar assistance, the continuing ability of the NJSBA to provide its valuable services to support New Jersey's legal community is in jeopardy. Like other businesses, almost our entire staff is working remotely. Paid programs have been cancelled in favor of free programming to help members and non-members survive the pandemic. Use of our building as a meeting and networking hub has halted. Membership recruitment and renewal efforts have shifted to information dissemination efforts. Advertisers and other contributors have cut back their support in efforts to preserve their own businesses. Despite a decline in revenue resources, the NJSBA is committed to continue its work as best it can to help people, support our members, and provide a forum for legal professionals to get support.

Certainly, the NJSBA is not alone in its status as a 501(c)(6) facing financial difficulties but still serving a laudable public purpose and providing sorely-needed resources and support to critical components of our society and economic infrastructure. As the American Society of Association Executives noted in a recent letter to you on this same topic, more than 62,000 associations across the country play an important role to train America's workforce, create industry and professional standards, and disseminate essential information and resources to people in need – particularly during times of crisis. An investment in these organizations is an investment in the survival, growth, health and safety of the general public.

For these reasons, I urge you to provide \$25 billion in emergency assistance to trade and professional associations; expanding the PPP or similar Small Business Administration program to include those groups; and create a pandemic risk insurance program with a federal backstop for prospective insurance claims related to a pandemic or epidemic. The continued vibrance of 501(c)(6) organizations is dependent on your swift action.

Respectfully,



Evelyn Padin, Esq.
President, New Jersey State Bar Association

cc: New Jersey Congressional Delegation
Kimberly A. Yonta, Esq., NJSBA President-Elect
Angela C. Scheck, NJSBA Executive Director