

Congress of the United States
Washington, DC 20515

May 9, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20510

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20515

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As you move toward a fourth coronavirus stimulus package, we, the undersigned Members, ask for your support in expanding existing CARES Act relief programs, like the Paycheck Protection Program (PPP), and other relief measures for small businesses and non-profits in the youth sports industry. The youth sports industry has been dramatically disrupted by this crisis; and as a result, many organizations will be closed permanently or face bankruptcy unless they receive further financial assistance.

These small businesses and non-profit organizations play an important role in the lives of millions of children, offering many positive benefits to participants, including physical, social, emotional, and cognitive skills, that extend far beyond the playing field. Approximately 60 million youth in this country are registered participants in organized youth sports programs. Studies have shown that sports participation has a greater association with lower school dropout rates than any other activity.

These organizations are currently facing lost revenue from the coronavirus due to cancellation of youth sports programming, camps and clinics. They are also affected by lost funding for employee and contractual-related expenses needed to continue operations, competitions, and event cancellations that are non-refundable. Youth sports are not happening and thus many youth sports organizations have seen their entire revenue stream stop, particularly their membership fees and dues which are essential to program operations. Furthermore, many youth sports programs, especially the non-profits, are particularly reliant on corporate and philanthropic giving. Much of that support often comes from local restaurants and other businesses who are no longer able to give and probably will not be for quite some time. Due to these factors the industry is facing a near complete shutdown.

The economic impact on youth sports will extend longer than in many other sectors of our economy because youth sports organizations will not qualify for many of the protections under

the CARES Act due to the unique way youth sports organizations operate. Youth sports organizations are largely run by volunteers, contractors and seasonal coaches, not employees. However, youth sports programs still have operational costs including training, background screening, programmatic planning, and member support services. These costs continue even while youth sports programs remain ceased.

In just the youth sports sector, we estimate that there have been approximately \$8.5B in losses due to coronavirus-related cancellations of youth sports programming, events, and clinics leaving a potentially crippling loss of opportunity to young athletes next season. For sports event providers, these losses are compounded by the fact that the force majeure clause of insurance contracts does not cover pandemics, meaning that most of the expenses related to these cancelled events are not covered by insurance.

Expanding emergency funding to youth sports providers will ensure all youth sports programs, organizations, and providers including sports-based youth development organizations, interscholastic sports programs, and youth sports providers will be available to young people after the pandemic has ended. We also ask that as you are considering relief programs for this vital industry, you include safeguards to ensure these relief funds are used properly and responsibly by their recipients so that the young people participating get the absolute most out of our investments.

We are committed to working with these organizations to ensure priority consideration in the disbursement of these funds will be given to programs focusing on under-served communities. We must provide critical support now to the youth sports industry so these programs can remain operational and resume providing critical services for our youth when the crisis wanes.

Thank you for your attention to this important issue. We look forward to working with you on finding a solution.

Sincerely,

Ron Kind
Member of Congress

Rodney Davis
Member of Congress

Marc Veasey
Member of Congress

Kelly Armstrong
Member of Congress

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