

NEWS

Nonprofits Seek Partnership with New Administration

Several leading coalitions of nonprofit service providers have called upon Governor-elect Andrew Cuomo to work cooperatively with the charitable sector to preserve core services that focus on prevention, protect the needy and vulnerable, and address the needs of working families. The group urged Cuomo to draw on the vast experience of nonprofit service providers in order to identify the most effective --and least painful -- ways to close the State's looming budget deficit while still maintaining critical services for those in need.

"We are here today to ensure that the partnership that the charitable sector has enjoyed with State government remains strong," said Ronald Soloway, Managing Director of Government and External Affairs, UJA-Federation of Jewish Philanthropies. "We are calling on this administration to sit down with us in partnership, talk through the issues and make sure the poor and vulnerable in this state continued to be served the way we believe they should be."

"Given our long history in working with state agencies, charities leaders are in a unique position to offer insight regarding a more efficient and effective business relationship in support of community services," said Susan Hager, President of the United Way of New York State.

The coalition also called on the Governor-elect to address a long list of State policies and practices that have weakened nonprofits and hinder their ability to provide vital services.

"It has been 26 years since the enactment of the prompt payment law," noted Hager. Yet, she noted that the State Comptroller recently reported that contracts over \$50,000 are approved

late, i.e. after the contract start date, 92% of the time. "What we have, I am sad to report, is an utter failure of leadership from the Executive and a profound disrespect for the role that community charities play in providing services in partnership with state and local government employees."

These late contracts and delayed payments are extremely damaging to nonprofit service providers, said Hager. She noted both the increasing difficulty which agencies face in finding and keeping bank lines of credit and the interest expense which they incur while bankrolling the State's cash flow problems.

The group also urged the State to end its use of "across the board" cuts to address budget deficits. "The rhetoric around accountability is hardly credible when all programs are cut by a similar percentage," said Hager. Andrea Smyth, Executive Director for the New York State Coalition for Children's Mental Health Services noted several recent tax policies that have been damaging to nonprofits. "The three-year limit on the amount of charitable donations that high earners can count toward tax deductions is really hurting the charities and nonprofits that people are relying on more than ever," she explained. "And the MTA payroll tax that included the payroll of tax-exempt, non-profit human service providers in 12 counties has to be revisited."

Cao O, Executive Director of the Asian American Federation, spoke to the financial stresses which are weakening the nonprofit service sector. "Recent State Government decisions, like those described here today, have done real damage to the charitable sector, and

that this must be corrected," he said.

The charitable sector is also a critical part of the state's economy, stressed Allison Sesso, Deputy Executive Director of the Human Services Council of NYC. "According to the State Comptroller's Office, there are approximately 24,000 not-for-profit organizations in New York State, with nearly 31,000 active contracts. These not-for-profit agencies provide an estimated 1.2 million jobs, or 17 percent of the State's workforce," she said.

The group urged that the new Governor make a commitment to a dialogue with the charities industry and consider the following specific requests:

- * Establish and appoint a Cabinet level Secretary to represent the charitable sector in the development of Administration policy and budgets and address issues that cut across state agency lines.

- * Support elimination of years 2 and 3 of the cut to the deductibility of charitable contributions by wealthy wage earners.

- * Pledge to uphold the Prompt Contracting Laws and stop late payments on contracts by streamlining contracting and oversight procedures which will also save the state money.

- * When making program, spending and tax policy, frame decisions in a way that accounts for the value of the centuries-old charitable sector in New York State as a valued partner in services delivery.