

Nonprofits ask for clearer guidance from state government

Organizations point to New York City's commitment to continued funding as a model for the state.



City Councilman Keith Powers was one politician who sent a letter calling for advances on existing nonprofit contracts. | John McCarten/New York City Council

New York nonprofits are calling on the state government to give them coordinated guidance on their contracts to ensure they get paid during the COVID-19 outbreak.

A group of nonprofits – along with Assemblyman Michael Blake and New York City Councilman Keith Powers – sent a [letter](#) on March 26 to New York City and state leaders calling for advances on existing contracts and additional flexibility on reporting requirements.

“This funding is critical for community-based organizations to retain staff, ensure front-line

essential services are provided, assist businesses and downtowns during the mitigation period, and create a framework to establish a structure for economic recovery,” the letter reads. Several services often provided by nonprofits – such as child care, homeless shelters and food banks – have been designated as [essential](#) by Gov. Andrew Cuomo, which means they can continue to operate during the pandemic.

Similar concerns have been raised in New York City in the past two weeks. Human services organizations continue their work while spending additional money on cleaning supplies, personal protective

equipment and filling in the gaps for staff shortages caused by workers caring for their children or calling out sick. Nonprofits that are reliant on city contracts fear that they wouldn't be compensated for those extra costs and would be penalized for failing to hit the performance goals for their programs. Several have also lost out on funding typically generated from their now-canceled fundraising events.

In response, the New York City Mayor's Office of Contract Services made a commitment to continue paying existing contracts and to reimburse them for those additional costs. Human services workers also were designated as essential in the city, allowing them to begin accessing emergency child care services provided by the city.

Nonprofits with state contracts are now hoping for a similarly streamlined response.

"I just want someone who's in charge of all this so I can actually focus on providing these essential services and stop worrying about how and when we may be paid," said Cal Hedigan, CEO of Community Access, which provides housing and social services for New Yorkers with mental health problems.

State agencies have been releasing varying guidance on programming and financial flexibility. The state Office of Addiction Services and Supports has committed to [reimbursing](#) "all reasonable costs" associated with COVID-19 and has suspended or relaxed requirements for their contracts. And the state Office of Mental Health has allowed its providers to shift staff and resources between contracts as needed, according to a [March 20 guidance](#), and designated all coronavirus-related expenses as allowable under its contracts.

"They haven't said what the city said, which is that if your costs exceed expected costs, we will pay those costs," said Hedigan, whose organization has contracts with the state's mental health agency.

Maria Lizardo, executive director of the Northern Manhattan Improvement Corp., said her organization has received varying responses from the state agencies that it works with. While the state Homes and Community Renewal agency is currently preparing plans for community-based organizations, Lizardo said she has yet to receive

guidance on certain programs her nonprofit operates for the state Office of Children and Family Services and the state Office of Temporary and Disability Assistance.

"I understand that the governor is busy dealing with the pandemic for the entire state," Lizardo said. "But if we don't get our nonprofit sector in some type of good shape, we're not going to be there. We're really afraid that some folks are going to go out of business."

Michelle Jackson, who heads the Human Services Council, said it was also worth noting the key role nonprofits are playing during the pandemic.

"If you're delivering meals to seniors and doing home care and helping people in (homeless shelters) who may otherwise be on the street, you are keeping people out of the hospital system so hospital workers can focus on COVID," she said.