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New York Lawmakers & Nonprofits Call on Governor to Release Billions in Federal Funds

Many Nonprofits Have Closed Their Doors Permanently

*****Press Release*****

(Albany, NY) Today, several NYS Senate and Assembly committee chairs, along with the Human Services Council, Urban Pathways, Northern Rivers, Lifespan of Greater Rochester, MHANYS, the Center for Community Alternatives, Chinese-American Planning Council, The Campaign Against Hunger, COMPA, Phoenix House, New York Association of Emerging Multicultural Providers, ASAP, Healthy Families, and more nonprofits held a virtual press conference, to stress adversities facing their sector in the wake of COVID-19, and to call on Governor Cuomo to release the over \$2 billion remaining from federal funding. This money remains in the State's Coronavirus Relief Fund (CRF), which was allocated to New York through the CARES Act. The use of CRF funds *to assist nonprofit service providers during the pandemic is permissible under the federal guidelines for use of CRF funds.*

Nonprofits say without the funding, New York's most vulnerable could be left without necessary programs and services they depend on. Some nonprofits even said their doors may need to shut for good. A recent study shows that 1,829 nonprofits in NY¹ would go out of business because of the current crisis, one of the highest around the country.

¹ <https://blog.candid.org/post/how-many-nonprofits-will-shut-their-doors-state-level-data/>

Committee Chairs Assemblymembers Andrew Hevesi, Linda Rosenthal, Richard Gottfried, Donna Lupardo, Harry Bronson, Ellen Jaffee and Senators Roxanne Persaud, David Carlucci and Gustavo Rivera have led the charge calling for the release of these funds.

This is not the first call on the Governor to distribute the funds to the nonprofit sector. In September, a similar press conference was held and a letter was sent to the Governor by more than 100 NYS Senate, Assembly, and NYC lawmakers, along with 66 advocacy groups. The coalition emphasized the harm that nonprofits and their clients could face, if they do not receive this vital support.

- 1.6 million nonprofit jobs were lost between March and May of 2020, nationally²
- Over 2 million New Yorkers are now food insecure
 - Between 17% and 25% of Hispanic New Yorkers and 15% and 22% of Black New Yorkers experienced household food scarcity over the survey period. These percentages were three to four times higher than among white New Yorkers. (NYS Health Foundation)
- 724 childcare providers have closed permanently during the 28 weeks from April 3rd to October 16th across New York State.
- An average of 26 providers (mostly home-based programs) are closing every week.
- Over the past four months OPWDD has made budget cuts totaling \$230 million annually, slashed revenue for not-for-profits providers, and refused to allocate federal funds the state received.
- Harm reduction programs were forced to stop needle exchange and other health services due to State funding gaps. As a result, our street solutions teams noticed a surge in folks with injection site wounds due to using dirty works and we expect a related spike in Hep C and HIV cases in the coming months.
- 4,200 children under age 18 experienced a parental death in New York State between March and July 2020.

"New York State must release the more than \$2 billion remaining from the CARES Act to fund critical services and programs," **said Senator Roxanne J. Persaud, Chair of the Senate Social Services Committee.** "New Yorkers are in crisis. Our communities are in crisis. We are struggling like never before and the time is now to release that money."

"The challenges facing our nonprofit service providers have grown exponentially since the pandemic began, with thousands of nonprofits already laying off staff, cutting services, and many shutting their doors permanently. Our state must use the remaining billions from the Corona Virus Relief Fund to save this sector," **said Assemblyman Andrew Hevesi, Chair of the Assembly Social Services Committee.** "The Cuomo administration's refusal to commit every available resource to assist vital human services programs is unfathomable as it adds unnecessary financial hardship to the already struggling nonprofit sector. Just like COVID-19 itself, the lack of financial

² <https://federalfundstracker.org/publications/covid-analysis-title/>

support for nonprofits also disproportionately impacts communities of color, particularly women of color who largely makeup the bulk of the workforce. We cannot allow our government to perpetuate this injustice and further burden our hardest hit communities."

We need to be proactive, not reactive. If we do not fund nonprofit providers offering our most vulnerable preventive services, then the future price tag will be far greater on taxpayers," **said Senator David Carlucci, Chair of the Senate Mental Health & Developmental Disabilities Committee.** "Billions in federal funding could help protect life-saving services and support our frontline heroes."

"It's unconscionable that New York State has access to approximately \$2 billion in emergency funds from the federal government and instead of throwing a lifeline to the nonprofits which provide services to society's most vulnerable, the State is withholding funding and considering cuts. New York's most vulnerable have already been the hardest hit by the pandemic and economic instability that ensued. Now, we're asking them, and the nonprofits that serve them, to bear a grossly disproportionate share of the burden. We must spend the remaining billions to save our nonprofits and support our people and then tax billionaires and multimillionaires to make up the rest," **said Assemblymember Linda B. Rosenthal (D/WF- Manhattan), Chair of the Assembly Committee on Alcoholism and Drug Abuse.**

"We are calling on the Governor and his administration to pay all delayed nonprofit contracts immediately by utilizing the remaining \$2 billion that New York State has at its disposal from the federal CARES Act. We cannot allow nonprofits across the state who have been providing essential services to so many vulnerable New Yorkers for decades to sink financially. It's not a secret that our state is struggling financially, but neglecting our fiscal responsibility to nonprofits will only exacerbate the problems we face, not solve them," **said State Senator Gustavo Rivera.**

"Instead of cutting funding to health care and social services, New York State should be bolstering these providers as they respond to even greater needs than before the pandemic," **said Assembly Member Richard Gottfried, Chair of the Assembly Committee on Health.** "We need to ensure that communities have the resources. Waiting to disperse the remaining funds threatens the existence of nonprofits that operate on shoestring budgets, and it does not help New Yorkers who need services now and in the future."

Assemblywoman Donna Lupardo, Chair of the Assembly Agriculture Committee said, "The pandemic has caused an additional one million New Yorkers to become food insecure. At the same time there have been major disruptions in the food supply chain, putting additional stress on our farmers and our food banks. I would urge the Governor to release additional CARES Act funds to support the successful Nourish NY program, and non-profits across the state who focus on food insecurity."

"These providers are serving our most vulnerable populations during a most challenging time," **said Assemblymember Harry Bronson.** "When nonprofit providers hurt, our

families hurt. Our Aging New Yorkers, our parents, our children, youth and adults with disabilities and those fighting health challenges including addiction need these providers now more than ever. We must fund these frontline human services organizations.”

“Now more than ever, our non-profits need support in order to continue to provide services to our most vulnerable communities” **said Assemblywoman Ellen C. Jaffee, Chair of the Committee on Children and Families.** “The CRF was established to support services provided by non-profit organizations across New York and it is shameful that we do not have a process for releasing these funds to our non-profits who desperately need it. Our non-profits have gone above and beyond the call of duty to care for New Yorkers during COVID; we must provide them the funding they need to continue to care for all New Yorkers.”

“On Monday, March 16, we made an announcement that we would be closing our senior centers because of the COVID-19 crisis. On March 17th, older adults were calling us because *they had no food*. It was that fast. The impact was that immediate. We were not prepared for the thousands of calls we received from older adults wondering how they were going to get food and prescription drugs. I did not even fully appreciate the importance of senior centers to provide basic necessities. One 76-year old gentleman called and said, *“I have one sleeve of Ritz crackers left. That’s it. I am trying to figure out how long I can make this last.”* We are trying to fulfill the basic needs of older adults. We need help. Older New Yorkers need assistance to get through this crisis and service providers are stretched to the limit,” **said Ann Marie Cook, President/CEO of Lifespan of Greater Rochester**

"As families struggle to stay strong in the midst of an ongoing pandemic, we cannot abandon them by depleting essential supports. NYS must maintain funding for programs that serve the highest need families-- who were often the hardest hit by COVID-19. We cannot allow gaps in our safety net. We must preserve the infrastructure of preventive programs,” **said Tim Hathaway, Executive Director from Prevent Child Abuse NY.**

Glenn Liebman, CEO of the Mental Health Association in New York State (MHANYS) said, “The mental health toll and long-term trauma impact of the pandemic has put a great strain on those who receive services, their loved ones and our dedicated workforce. Withholding twenty percent of the funding for mental health in this time of crisis only exacerbate the pain and suffering of individuals in desperate need of care. We understand that this fiscal crisis is not driven by New York State but in desperate times like these, we need Governor Cuomo to insure that there are no cuts to mental health funding and that the promised funding from the Cares Act is released”

“The Governor should release the additional \$4 billion in currently unused CARES Act funding to support the nonprofit sector. Not-for-profit human service providers across the State are struggling to make ends meet and researchers predict that up to 1,829 nonprofit organizations could close due to losses related to COVID-19. As the need for human services grows in our communities, the state must support these organizations and their essential workforce, most of whom are women and people of color, to avoid a looming

crisis of nonprofits serving the New Yorkers most in need being forced to shut their doors,” **said Frederick Shack, Chief Executive Officer of Urban Pathways.**

“Syracuse was cited as one of the top cities in the nation to feel the financial blow of the pandemic. Nonprofits in Central New York cannot wait and hope that Federal Aid will come, our communities need services now. As the largest private-sector employer in the State, nonprofits across New York need funding for this essential workforce,” **said Kelly Gonzalez, Deputy Director for the Center for Community Alternatives, Chair Elect of the Human Services Leadership Council of Central New York,** “The State can directly impact our ability to provide vital services and jobs by releasing the CARES Act funding now to pay all nonprofit contracts immediately, register late contracts, payout invoices on existing contracts promptly, and halt the 20 percent “withholding” on reimbursements. Therefore, we urge Governor Cuomo to release this funding, so that our dedicated staff can help New York communities, families, and individuals when they need it the most.”

Emily Frankel, Government Affairs Manager, Northeast Region for Nurse-Family Partnership National Service Office, said, “At a time when so many New Yorkers, especially low-income families, are experiencing hardship, the vital programs delivered by health and human service nonprofit providers are needed more than ever. The pandemic has presented uncharted waters, and Nurse-Family Partnership remains committed to supporting NFP families and continuing to work with other community-based organizations providing essential services to at-risk populations.”

"Since the pandemic, The Campaign Against Hunger has served over 330,000 families that are food insecure. Within six months, we have tripled our annual impact as there is so much need in our communities. We're fearful that we may have to turn away vulnerable community members without funding. We implore the state to release these funds so that nonprofits working on this pandemic frontlines can provide resources to New Yorkers in need. The plight of many already struggling families is being exacerbated by record unemployment; so many are at risk of losing their homes, medical bills are mounting, and many are deprived of healthy food. During Thanksgiving, nonprofits see upwards of a 25% increase for their services. We are asked to bear an incredible burden and we cannot do this alone. These funds are needed now,” **said Dr. Melony Samuels, Executive Director and Founder for The Campaign Against Hunger**

Michelle Jackson, Executive Director, Human Services Council said, “ Human services workers have been on the frontlines of fighting COVID since March, and since that time, the State has delayed or stopped paying them for their important work, and is holding back 20 percent of money on contracts performed, leaving providers in the dark about whether they will get paid at all. New York cannot recover without nonprofits, and the State is intentionally putting them on the path to financial ruin, while also asking them to ensure the health and welfare of all New Yorkers. The State, like the rest of us, must pay their bills, and they need to do so fully and on time. Nonprofits are how New

York recovers from COVID-19, and we need the State to do their part to ensure nonprofits can do theirs.”

“Our agency serves vulnerable populations - persons living with intellectual/developmental disabilities, traumatic brain injuries and HIV. We provide services to 2500 Medicaid-eligible people, which support their health, independence and inclusion in communities. We help people remain stably housed, secure employment, stay healthy and contribute to their neighborhoods and our economy. State funding is a substantial part of our budget,” **said Marilyn Palmieri, Director of Supportive Services, Catholic Charities Diocese of Rochester.** “Withholdings of 20% on state contacts have created greater uncertainty in what is already an uncertain world. These withholdings have had the most significant impact on our services for HIV clients who are in our employment program. Withholdings will also devastate residential and support programs for hundreds with disabilities. We understand the state’s fiscal outlook is dire. We work to contain costs, operate efficiently and be good stewards of public funds. We respectfully ask the Governor to release \$2 Billion of federal aid so that we can continue to keep this vulnerable population employed, housed and healthy.

“Across the state, organizations charged with serving people with Intellectual and Developmental Disabilities are continually asked to do more with less,” **said Yvette Watts, spokeswoman for New York Disability Advocates.** “But the cuts keep coming. The organizations that serve New York’s most vulnerable citizens are struggling - critical services will be disrupted, homes will be shut down and some of our most vulnerable citizens will end up homeless. We need additional funding, not cuts. We need more resources, not less. We are pleading for our leaders to step up.”

Allegra Schorr, President of The Coalition of Medication-Assisted Treatment Providers and Advocates of New York State (COMPA), [said](#) “The coronavirus pandemic has collided with our existing opioid crisis in a lethal way, not only exposing weaknesses in response and funding for effective treatment, such as Medication-Assisted Treatment (MAT), but worsening them. In addition, New Yorkers who need MAT and substance use disorder (SUD) services during COVID have increased dramatically. In brief, Mental Health and SUD providers are in crisis while, simultaneously, their budgets have been slashed and/or withheld by 20% leaving them without funds to pay their staff or incoming bills. We hope that there will be much-needed relief from the federal government but New York should release CARES Act funds already available to keep our system providing mental health and essential SUD treatment that saves lives.”

"In the middle of COVID and addiction/overdose pandemics, addiction prevention, treatment, recovery, and harm reduction service providers have continued delivering essential, life-saving services, despite crippling twenty percent of budget cuts by New York State. The idea that there are untapped federal funds, while addiction programs struggle to keep their doors open and lights on is unconscionable. These unspent funds should be used to restore cuts and ensure that essential frontline workers can keep their life-saving jobs. We must not balance the deficit on the backs of addiction service

providers who are needed, more than ever, to address rates of death and addiction exacerbated by COVID-19. We join the members of the legislature and the nonprofit community in demanding that the Governor release these funds immediately," **said John Coppola, Executive Director of the New York Association of Alcoholism and Substance Abuse Providers (ASAP).**

"We know the budget challenges that the State faces due to the pandemic. The nonprofit sector is part of the solution to recovery, adequate health, and mental health, and critical safety. We urge the Governor to release available CARES funding so we can continue to pay our staff, provide critical services, and support the most vulnerable. Without funding, the sector cannot provide the necessary services and jobs New York needs to recover. Therefore, we urge Governor Cuomo State to release the CARES Act funding and pay for the services it has contracted nonprofits to provide," **said William Gettman, CEO Northern Rivers Family of Services**

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