January 17, 2018

Dear Governor Cuomo,

Your executive budget has once again failed to include critical investments in the human services nonprofit sector, despite the sector’s financial instability stemming from woefully underfunded government contracts. Nonprofits across the State have made our needs clear: Minimum wage, salary adjustments, and infrastructure investments are needed to avoid profound consequences for human services workers, for the millions of people who benefit from their services, and for the State of New York.

While we acknowledge and appreciate that some key allocations have been made by your administration over the past several years, they are insufficient and amount to half measures that will not bring stability to nonprofits across New York.

Strong Nonprofits for a Better New York fully supported the State’s investment in funding for direct care and foster care salary increases and minimum wage increases for Medicaid providers last year, but these partial investments create a bifurcated system with some human services workers receiving much needed salary increases, while others continue to work low salary positions without much needed cost of living adjustments. Funding for direct contracted providers has not been adjusted to reflect the minimum wage increase, despite ongoing conversation and statements from the Governor about addressing financial hardship. You championed a $15 minimum wage, and nonprofits stood with you, yet the State continues to pass along the costs of that increase to chronically underfunded nonprofits that the you rely on to fulfill your agenda.

Workers in this sector are severely underpaid, and recruitment and retention remain one of the top issues for nonprofit providers. Government is largely responsible for these low salaries that are set through inadequate funding levels. Last year’s report, “Undervalued and Underpaid”, demonstrates that for the same job title, workers in hospitals, schools, and government earn on average 20-40% more than their nonprofit counterparts. Direct care is one piece of that puzzle, but last year’s investment will not help the day care workers, senior service providers, and many more that will not be touched by the increase. Other pieces such as $23 million to fund the minimum wage for direct contracted organizations and $65 million for much needed salary adjustments have gone unfunded for yet another year.

While we also appreciate the creation of the Nonprofit Infrastructure Capital Improvement Program three years ago, it is far below what is required to meet the needs of these organizations. For the first $100 million allocated, 635 organizations applied for funding, but just slightly more than 200 were
awarded grants. Nearly 400 organizations were left out and the unmet need in these organizations means going without items essential to their functioning. Adding insult to injury, this years old investment is touted in the your briefing book as though it is a new investment. In reality, despite the fact that the first allocation to this fund was made in 2015, no funds have been received by awardees to date. This lag shows yet again the priority given to strengthening the nonprofit sector. Even for organizations that can fill gaps through private dollars, fixing broken elevators and heating/cooling systems are not the types of projects donors are often interested in funding—they are not glamorous, but they are essential. The same can be said of other security and capital investments: If contracts were properly funded to account for the true cost of service provision, these types of projects would be taken into account at the outset, and not require a separate competitive grant process.

While we have seen you take the lead on creating a progressive agenda of both policy and programs for New York, you have not acknowledged that much of your agenda needs to be carried out by nonprofits under state contract. If the sector is not strengthened through additional investment, they will not be able to continue providing services to communities. The final budget must include actions to address the needs of the State’s nonprofit partners or they will not be in a position to carry out the your progressive vision.

Regards,

Strong Nonprofits for a Better New York

Strong Nonprofits for a Better New York is a Statewide coalition of more than 350 nonprofit human services providers, calling for increased State investment in the sector’s workforce and infrastructure. Working under contract with the State, human services agencies provide crucial services to uplift New Yorkers from all walks of life. The State must ensure these organizations can continue their vital work.