

# CRAIN'S

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**OP-ED**

## Nonprofit shouldn't mean nonviable in New York

A sector crucial to the state is hurting, but is missing from Cuomo's agenda

By Michelle Jackson

After a weeklong tour of New York and a drawn-out budget announcement designed to maximize his time in the spotlight, Gov. Andrew Cuomo finally announced the details of his budget last week. His agenda—351 pages worth—and his budget fail to mention the infrastructure crucial to any social-justice agenda: the nonprofit sector.

Many parts of his agenda are noble progressive causes to secure the middle class, expand access to education and address social issues plaguing the state, as well as those we see coming with the new administration in Washington, D.C. But without a strong nonprofit sector to stand with him, implement his proposals and be on the front lines of the fight for social justice, his agenda will be stymied and New Yorkers will not get the quality services they need to build strong communities.

Nonprofits contract with government to advance the very issues laid out by the governor and to provide critical interventions and strengthen the economy. These providers are tasked with caring for the elderly, providing education services, assisting people into permanent housing and responding after disasters, yet the state does not pay the full costs of these services. The gap in funding has left the sector on the brink of collapse.

Today 59% of nonprofits say they will not be able to meet needs in their communities and 18% of human-services providers are insolvent. Contracts are funded at about 80 cents on the dollar; we wouldn't ask a construction company to fundraise to build a bridge, yet we ask providers to supplement services the people of New York count on.

The governor laid out a vast economic development agenda without mention of the nonprofit sector, which employs 1 in 5 people in the private sector in New York. He has initiatives to reform criminal

justice, protect immigrants, reduce homelessness and assist the aging—all work carried out by nonprofit partners.

Most strikingly, the governor wants to continue his bold work as a national leader on fair wages, but has yet to fund the minimum wage for workers at the human-services nonprofits under contract with the state. As our main contractor, government is the driver of nonprofit salaries. Positions across the sector are not only low compared to other industries, but stagnant.

The governor's budget again eliminates a statutory cost-of-living adjustment for this workforce for the eighth year in a row. What is worse, the budget also discontinues a COLA promised in 2015 to some frontline workers simply because some agencies decided it was too complex to distribute. Since these state agencies could not determine how to pay out this promised increase, workers are going without it, while the state is recouping those funds as savings.

One of the governor's key priorities is ending the wage gap in New York. A good place to start would be increasing the wages of the more than 300,000 human-services jobs the state is responsible for at nonprofits, where women make up over 80% of the workforce.

Nonprofits were mentioned a mere five times in 351 pages of the administration's planning documents for the upcoming year. The budget doesn't allocate any of the \$1.4 billion in settlement dollars that the state has to spend to the nonprofit sector, and local human-services budgets will see a negative impact of \$29.1 million across the state. These same nonprofits are on the front lines fighting poverty, and have been underinvested in for years, cobbling together funding to support state-mandated services that have been outsourced to them.

The sector has rung the alarm for years, most recently in the [Call to Action](#) report and the launch of the statewide [Restore Opportunity Now](#) campaign. If the governor does not acknowledge the vital role of the sector, and its needs, any New York progressive agenda will fail.

Cuomo has outlined a bold and progressive vision for New York that hopes to build the economy and provide better opportunities for the millions who live here. The nonprofit sector is already working on these initiatives and stands with his agenda, but decades of underinvestment have left us barely standing. A bold agenda for New York must include a bold plan for building a strong network of human-services providers.

*Michelle Jackson is the deputy director and general counsel of the Human Services Council of New York, an organization representing nonprofit human-services organizations across New York.*