

New York State’s nonprofit sector provides critical services to New Yorkers from all backgrounds and from all corners of the state. Nonprofit organizations are often the first point of contact for individuals and families who are experiencing hardship, and they provide educational opportunities, healthcare, and other basic forms of assistance that serve as the basis of a thriving society. As nonprofit organizations across the nation face uncertainty in Federal funding and increased pressures to maintain an adequate social safety net, Governor Cuomo remains committed to improving the State’s relationship with the nonprofit sector and strengthening a partnership that enriches the lives of all New Yorkers.

Overview

New York State has the largest nonprofit sector in the nation, and its work touches the lives of almost every resident. There are nearly 100,000 nonprofit organizations across the State, accounting for 17 percent of private sector employment and nearly \$68.6 billion in annual wages in FY 2016. They provide a wide range of services, including healthcare, education, housing, childcare, access to the arts, supports for people with disabilities, assistance to immigrants, and care for the elderly.

Many of these nonprofit organizations provide services on behalf of the State and interact with multiple State agencies. However, historically, the State has not looked at the nonprofit sector holistically. Each partnership was examined only in relation to the type of service a nonprofit provided and the State agency with which it interacted.

Governor Cuomo has taken a new approach. He created a cabinet-level Interagency Coordinator for Nonprofit Services to harness the expertise of the nonprofit service providers and better understand and help overcome challenges faced by the entire sector – particularly those receiving State funding to provide services. The Governor’s commitment has also been demonstrated through the Nonprofit Infrastructure Capital Investment Program, which is delivering \$100 million in competitive grants to help nonprofit organizations address infrastructure needs. Both the Coordinator and the recently awarded infrastructure funding promote the work of nonprofit organizations and provide the State with additional insights into the work and needs of the sector. The result will be a strengthened relationship between the State and the nonprofit sector.

Budget Highlights

Services and Supports for Homeless New Yorkers. The Governor’s continued \$20 billion investment in affordable housing, supportive housing, and related services will, in part, be delivered by nonprofit organizations. This includes nonprofit organizations providing services that prevent homelessness, and support homeless individuals and families.

Combatting the Heroin Epidemic. Nonprofit organizations are key partners in providing prevention, treatment, and recovery programs aimed at ending the heroin and opioid crisis. The FY 2018 budget provides \$200 million for these efforts.

Performance Profile

Prequalification Reduces Redundant Paperwork for Nonprofit Organizations.

The State created a prequalification process for nonprofit organizations in 2013 that enables them to store key documents online and demonstrate that they are ready to do business with New York. Over 6,000 nonprofit organizations have been prequalified to apply for grant opportunities with New York.

Grants Gateway Portal. In 2013, the State launched the Grants Gateway portal, providing a single location for nonprofits to access State grant opportunities. Since then, it has expanded to allow for online applications and contracting. Currently, there are over 30,000 active users from nonprofit organizations.

The Governor's focus on strengthening New York's safety net means nonprofit organizations are at the forefront of providing services that address major social issues such as poverty, hunger and homelessness.

Developing a Sector-Wide Approach

Strengthening the Social Safety Net. Governor Cuomo is committed to advancing social justice and creating a level playing field where all New Yorkers have the opportunity to succeed. This pledge is evident through his efforts to create more affordable housing; provide better supports and services to individuals with substance abuse disorders; help families gain access to affordable and nutritious food; address poverty in low-income communities; and expand access to pre-kindergarten. None of these efforts would be possible without nonprofit organizations. The State's nonprofit partners provide the "boots on the ground" to carry out the Governor's vision, and provide the State with information and expertise about the communities being served.

The Executive Budget includes significant funding for programs and services that are carried out by the State's nonprofit partners. Many of these investments are targeted to specific policy priorities.

For example, in FY 2018, New York State will provide \$200 million to continue addressing the State's heroin epidemic. This investment, which represents a \$30 million increase from FY 2017, will enable the Office of Alcoholism and Substance Abuse Services to add new residential treatment beds, open additional Opioid Treatment Program slots, increase Family Support Navigators and Peer Engagement programs, and provide additional supports and services. Nonprofit organizations are already essential service providers for many of these initiatives and their role will grow as funding expands in the fight against opioids.

The Executive Budget will also continue to invest in efforts to address poverty through the Empire State Poverty Reduction Initiative (ESPRI). In FY 2017, ESPRI provided a total of \$25 million to 16 municipalities throughout New York to address poverty in their communities. Each of these 16 municipalities will have a

nonprofit organization lead its local efforts. The FY 2018 Budget proposes an additional \$35 million in funds for after-school programs in these municipalities. This funding may be awarded to schools in collaboration with nonprofit organizations through a competitive process.

Improving Business Processes for the State's Nonprofit Partners. By identifying and addressing operational issues that impact nonprofits' business operations, New York State has the opportunity to help nonprofit organizations focus more of their time and energy on serving their clients and communities.

Some of these efforts are already underway. Under Governor Cuomo, the State has taken multiple actions to improve the contracting process. The most notable was the creation of the Grants Gateway, an on-line portal that streamlines and simplifies the grant application process. Through Grants Gateway, nonprofit organizations can prequalify as grantees or contractors and complete applications and contract documents electronically.

In FY 2018, the State will develop an Action Plan to continue to improve business processes for the State's nonprofit partners. This will reflect the results of ongoing research on the impact of Federal guidance about indirect cost rates for contracts; standardize the format of Requests for Proposals and other procurement documents; and identify opportunities to streamline State oversight of nonprofit performance, including audits, without compromising quality or accountability. The State will also continue working to improve its processes to further reduce the number of late contracts and late payments for nonprofit organizations.

The State will also focus linking nonprofit business operations with larger policy and social justice efforts. The nonprofit labor force includes a large number of low wage workers. These workers often do not have access to the tools and resources that support upward mobility in their careers. Many nonprofit leaders agree that their workforce would benefit from an initiative to develop the long-term career prospects of these employees. In FY 2018, the State, including the Department of Labor, will work with nonprofit umbrella groups to develop models for a career ladder program for low wage nonprofit workers.