

2021 NONPROFIT POLICY PLATFORM

NEW YORK CITY

I. NONPROFITS ARE A KEY EMPLOYER IN NYC, EMPLOYING A WORKFORCE OF OVER 662,000 INDIVIDUALS, THE MAJORITY OF WHOM ARE WOMEN AND BIPOC. THE CITY MUST CONTRACT WITH THE SECTOR IN WAYS THAT ENABLE NONPROFITS TO (1) COMPENSATE THEIR WORKFORCE FAIRLY AND EQUITABLY AND (2) IMPLEMENT INTERNAL POLICIES AND PRACTICES THAT PROMOTE EQUITY AND ADDRESS DISPARITIES.

!!. SUCCESSFUL PROGRAMS ARE BASED ON SUBSTANTIVE INPUT AND FEEDBACK FROM COMMUNITIES. THE CITY OF NEW YORK SHOULD ENGAGE NONPROFITS IN POLICY, PROGRAM, AND FUNDING DECISIONS FROM THE BEGINNING.

!!!. NONPROFITS ARE DRIVERS OF OUR MULTI-RACIAL DEMOCRACY, FACILITATING CIVIC ENGAGEMENT AND LIFTING UP VOICES OF COMMUNITIES THAT MIGHT OTHERWISE GO UNHEARD. THE CITY OF NEW YORK NEEDS TO REMOVE BARRIERS THAT INHIBIT NONPROFITS FROM ENGAGING IN ROBUST ISSUE ADVOCACY ON BEHALF OF OUR COMMUNITIES.

IV. NONPROFITS ARE ONLY ABLE TO FULLY SERVE DIVERSE COMMUNITIES IN INCLUSIVE, RESPONSIVE, AND INNOVATIVE WAYS IF THEY HAVE FLEXIBLE, PREDICTABLE, AND SUSTAINED FUNDING. THE CITY OF NEW YORK MUST CONTRACT WITH NONPROFITS IN A MANNER THAT PROMOTES SUSTAINABILITY, RECOGNIZES THE CRITICAL IMPORTANCE OF OPERATIONAL EXPENSES, AND REQUIRES TIMELY PAYMENT.

CALL TO ACTION: Nonprofits urge elected officials, policymakers, and government partners to recognize and appreciate that the sector is a fundamental part of the New York City region -- critical for its survival and recovery and a key part of what makes our diverse and vibrant City special. 2020 exposed and exacerbated racial inequity and disparities that have defined our systems for too long. We see this in the data on COVID-19 fatalities, in the failures of remote learning, in the dramatic increases in food insecurity, in who was excluded from financial relief, and in which arts, culture and civic organizations are barely able to stay afloat -- and these are only a few painful examples.

Nonprofit organizations are crucial components of the communities disproportionately impacted by the pandemic and the economic devastation it has wrought.ⁱ We are important employers, service providers, and community builders in these neighborhoods. As a sector, nonprofits employ 18% of the private workforce, and the majority of these employees are women and Black, Indigenous, people of color (BIPOC).ⁱⁱ Our sector's workforce plays vital roles in our organizations, communities and City. They deserve the recognition and respect warranted by their critical roles. Nonprofits are essential to New York City's efforts to move from crisis, through an inclusive recovery, to become a more equitable, thriving place.ⁱⁱⁱ Nonprofit organizations have displayed resilience, innovation, creativity, and grit in the face of multiple, overlapping, and compounding crises. Throughout the COVID crisis, the nonprofit sector has responded to increased needs with diminished resources and quickly pivoted to provide emergency services.^{iv}

Nonprofits' direct and effective crisis response was possible because nonprofit organizations are often best situated to assess community needs and amplify community strengths. Nonprofits reject any efforts to "go back to normal." We are united and committed to rebuilding our sector and our City, in ways that make racial equity a fundamental condition of success.

Nonprofits play a critical role in every zip code^v across this City as a dynamic and intersectional sector that works across generations, neighborhoods, race, ethnicity, gender, religion, immigration status, disability, language, sexual orientation, class, education, employment status, and more. Nonprofits are drivers of multi-racial democracy and community building. A failure to invest in and value the nonprofit sector adversely affects essential programming and services in every single neighborhood, with Black, Indigenous, Brown, Latinx, and Asian New Yorkers impacted most deeply. Nonprofits are fundamental to how community members support one another with lifesaving services, how we create and make art together, how we learn and grow, how we fuel our democracy, and how we create meaningful change.

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When City contracts underfund needed, and often legally required services, they are relying on low-wage nonprofit workers to implement important programs. When the City contracts with nonprofits to provide services aimed at addressing and ameliorating impacts of poverty, paying poverty wages is unacceptable.

- City contracts must enable nonprofit organizations to pay workers a fair wage that allows workers to live with dignity in NYC,^{vi} reflects the importance of the work and expertise of the worker, ensures qualified professionals can be recruited and retained, enables employees to afford housing, healthcare, education, and is equitably distributed across race, gender, gender identity, sexual orientation, age and disability, immigration status, language, and nationality.
- City contracts must enable the provision of adequate health and retirement benefits to ensure the well-being of City-contracted nonprofit workers during and after their careers.
- When the City passes vital legislation to raise the wages of low-wage workers, such as prevailing wage bills or raising the minimum wage, it must amend pre-existing contracts with nonprofits to provide the financial resources needed to track this progress. Unfunded mandates are not acceptable.

II. SUCCESSFUL PROGRAMS ARE BASED ON SUBSTANTIVE INPUT AND FEEDBACK FROM COMMUNITIES. THE CITY OF NEW YORK SHOULD ENGAGE NONPROFITS IN POLICY, PROGRAM, AND FUNDING DECISIONS FROM THE BEGINNING.

Nonprofits are a source of invaluable expertise and critically important, intersectional community perspectives. Nonprofits must inform decisions that will have an impact on the programs we deliver and the communities we serve. The pandemic has highlighted the essential nature of the nonprofit sector, with organizations proving they are able to respond quickly and creatively to meet community needs. We want to strengthen and enhance the relationship between the New York City government and the nonprofit sector:

- The City must work with nonprofits to establish a shared definition of success, engage nonprofits early in program design, and consistently and transparently document

substantive ways in which nonprofit input has shaped program development and implementation.

- The City must engage nonprofits as substantive partners and create forums for conversations based on a free flow of information, data, and policy ideas from diverse sources to promote innovation and active collaboration.
- The City must allocate resources needed to ensure that all processes and platforms used for (1) contracting with nonprofits and (2) soliciting, substantive input and feedback from an inclusive and representative group of nonprofits are demonstrably accessible, regularly monitored, and meaningfully evaluated.
- The City must demonstrate and document that it has actively sought and utilized nonprofit expertise and participatory input from individuals and communities served by nonprofits in the design, development, and implementation of City programs and services.

III. NONPROFITS ARE DRIVERS OF OUR MULTI-RACIAL DEMOCRACY, FACILITATING CIVIC ENGAGEMENT AND LIFTING UP VOICES OF COMMUNITIES THAT MIGHT OTHERWISE GO UNHEARD. THE CITY OF NEW YORK NEEDS TO REMOVE BARRIERS THAT INHIBIT NONPROFITS FROM ENGAGING IN ROBUST ISSUE ADVOCACY ON BEHALF OF OUR COMMUNITIES.

The regulatory framework currently imposed on nonprofits is based on racist, and paternalistic ideas about who is best situated to drive social change. Nonprofit staff members who are disproportionately from, and serve, systematically oppressed communities - are expected to provide services, but refrain from challenging systems. Instead, “Benefactors” of nonprofits (mostly white and privileged) are often turned to by elected officials as sources of expertise. Nonprofits that are embedded in and accountable to the communities they serve are experts on issues that impact these communities, but too often lobbying restrictions and onerous reporting requirements limit nonprofits’ capacity to engage in robust, effective advocacy. Though federal and state laws are the primary drivers of these inequitable regulations, the City must not make matters worse by creating barriers and imposing further restrictions

- The City must facilitate the input and utilize expertise of nonprofits on issues central to their mission and safeguard nonprofits’ capacity to engage in effective, substantive advocacy.
- The City must create, maintain, and evaluate forums in which the City regularly shares information with and receives input from nonprofits. Nonprofits must be supported to promote nonpartisan efforts to encourage voting and other participation in city policy making.

- The City must reduce barriers for nonprofits to engage in advocacy, which often disproportionately impact BIPOC-led and disabled-led organizations as well as smaller organizations with limited resources to dedicate to reporting and administrative compliance.^{vii}

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The current crisis of underfunded and undervalued nonprofit contracts is a racial equity issue, affecting the scope of accessibility of vital services. Going forward nonprofit City contracts and grants must provide:

- Full payment on time and clear spending guidelines,
 - On time payment includes clarity and predictability around contract registration, is uniform across all agencies, with registration required before the start date of the contract, mutual agreement and clarity on what constitutes an approved invoice, and payment that is predictably linked to the date of the first invoice submission.
 - If the City does not pay nonprofit organizations on time, there must be premium or interest payments to compensate nonprofits for their cost of borrowing and/or advancing funds to enable operations.
- Funding that enables a direct response to community need, is rooted in transforming the conditions that produce injustice and is meaningfully accessible to Black, Latinx, Asian and Indigenous led nonprofits and nonprofits whose executive leadership and boards reflect the communities they serve.^{viii}
- Funding that covers the actual cost of the work that nonprofits do to achieve their goals, which includes the direct program costs, indirect costs (which is at least equal to the enhanced rate agreed by the current administration), as well as expenses related to general operating, overhead, risk mitigation, disaster preparedness, escalation clauses, cost of living adjustments for the workforce, and the costs of capital investments necessary to maintain and grow programs.
- Funding that is multi-year, general operating support that allows investment in innovative, sustainable, and responsive programs, infrastructure, capacity-building, and partnerships.
- Funding that values the nonprofit workforce and allows nonprofits to provide salary and benefits packages that are comparable to the public sector and for-profit private-sector workers doing similar work.

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- ⁱ Among non-profits that served low-income communities, 65% said they could not meet increasing demand. CBOs in low-income communities face the additional threat of displacement— surveys show that close to 80% expressed being moderately to highly concerned about the cost of rent on their organization’s long-term financial sustainability. [Essential and at Risk: The Power of Community-Based Organizations and the Danger of Displacement. Hester Street.](#) (July 2020).
- ⁱⁱ The Economic Impact of NYC Nonprofit Organizations. New York City Comptroller and Nonprofit New York. (July 2020)
- ⁱⁱⁱ Nonprofits are social service providers, arts and cultural institutions, faith centers, philanthropic institutions, schools, theatres and arts education centers, advocates, environmental justice champions, musicians, and sites of housing, community, and economic development among many other fields.
- ^{iv} Most nonprofits shifted community programming and services from in-person to virtual or socially-distanced with new safety protocols within a matter of days in March 2020.
- ^v New York City Nonprofit Data. Baruch College Center for Nonprofit Strategy and Management. (January 2021).
- ^{vi} The average annual pay for human services workers is \$29,600 in New York City. Undervalued and Underpaid: How New York State Shortchanges Nonprofit Human Services Providers and their Workers. Restore Opportunity Now. (March 2017). Underfunded government payment rates are the primary driver of financial distress for human service nonprofits, leading to salaries so low that many nonprofit employees depend on safety net programs, such as food stamps and Medicaid. Government contracts pay only about 80 cents or less of each dollar of true program delivery costs. New York in the Aftermath of FEES: A Call to Action. Human Services Council. (2016). Average wages across positions in the nonprofit arts, culture, and humanities field are often significantly less than average wages for similar positions in other fields. 2019 Nonprofit Salary Survey Report. Nonprofit New York. (2020).
- ^{vii} Less than 3% of nonprofits engage in legislative advocacy. Nonprofit Impact Matters. National Council of Nonprofits. (2019). Organizations engage in advocacy if they have the financial resources to do so (Specialists, generalists, and policy advocacy by charitable nonprofit organizations. Journal of Sociology and Social Welfare. MacIndoe & Whalen. 2013). Current laws and regulations disincentivize nonprofits without the administrative resources to register and report with the City from lobbying, and nonprofits often do not know what advocacy they are allowed to do. (Advocacy by Nonprofits: Roles and Practices of core Advocacy Organizations and Direct Service Agencies. Journal of Policy Practice, 9:164-182. Kimberlin, S. E. (2010). In the City’s FY21 budget the Communities of Color Nonprofit Stabilization Fund was reduced by 32%.
- ^{viii} Among non-profits that served low-income communities, 65% said they could not meet increasing demand. CBOs in low-income communities face the additional threat of displacement— surveys show that close to 80% expressed being moderately to highly concerned about the cost of rent on their organization’s long-term financial sustainability. [Essential and at Risk: The Power of Community-Based Organizations and the Danger of Displacement. Hester Street.](#) (July 2020).