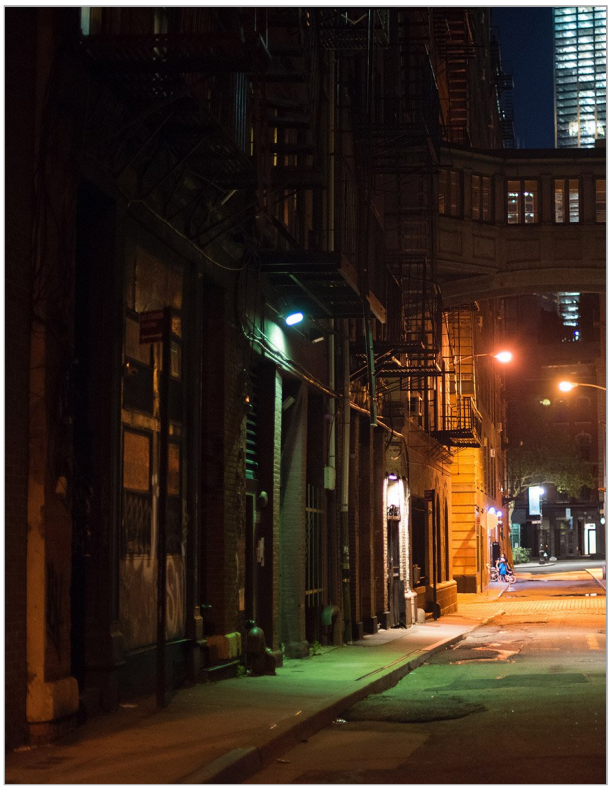
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Report - May 2020

Essential Yet Vulnerable: NYC's Human Services Nonprofits Face Financial Crisis During Pandemic

In the midst of an unprecedented surge in demand, NYC's human services nonprofits are confronting millions of dollars in unexpected costs and lost revenue. This report, based on interviews with over two dozen nonprofit leaders, documents the challenges facing New York's human services nonprofits due to coronavirus.

by Sarah Amandolare, Jonathan Bowles, Laird Gallagher, and Erin Garrett

The individuals working at human services nonprofits arguably have been the unsung heroes of New York City's response to the coronavirus pandemic. Amid an unprecedented public health and economic crisis, the city's human services organizations have provided vital, lifesaving services for the city's most vulnerable communities—from delivering meals to homebound older adults and staffing homeless shelters to caring for the disabled and reaching survivors of domestic violence. But while nonprofits in every corner of the city have stepped up ably to address a massive surge in demand for safety net services, meeting the challenge has resulted in unexpected costs and revenue losses into the millions of dollars, jeopardizing their efforts, if not their very existence.

Nearly every organization we interviewed for this report is dealing with a sea of new operational costs—from setting up new IT systems to support remote work and virtual programs to purchasing protective equipment and hiring temporary workers while full-time staff are home sick. More than six of the two dozen nonprofit organizations we spoke with for this report say that they have already spent more than $1 million in unanticipated costs—all in less than two months since the start of the pandemic.

At the same time, human services organizations are also confronting sometimes staggering losses in revenue due to cancelled spring and summer fundraisers. Several of the nonprofits we spoke with say that their financial losses have already exceeded $1 million, with one predicting $3 million in revenue losses.

For example:

- The Catholic Charities of the Archdiocese of New York expects $3 million in revenue losses because of cancelled and

postponed spring fundraising events alone.

- Henry Street Settlement anticipates $1.2 million in emergency outlay.
- Good Shepherd Services estimates $1 million in unanticipated costs above budget in the first month, and $100,000 to $150,000 for each additional week.
- New York Foundling will spend an extra $750,000 to $1 million every six weeks to maintain its shelter facilities and pay on-site employee hazard bonuses.
- CAMBA expects over $1 million in unanticipated costs, including $150,000 for cleaning services and $200,000 in IT costs.
- God's Love We Deliver estimates over $1 million in unexpected costs related to early pandemic response.
- NYC Outward Bound Schools expects revenue losses in the current fiscal year "in excess of $1 million, and maybe closer to $1.5 million"—more than 20 percent of its yearly budget—due to cancelled spring programming and the cancellation of its May gala.
- Queens Community House anticipates $1.1 million in revenue losses just from the cancellation of the 17 summer camps it runs—and another $500,000 in lost funds from the cancellation of the SYEP program.

The combination of significant unanticipated costs and staggering revenue losses is creating an alarming financial fragility for the city's human services nonprofits, a problem since many of these organizations will undoubtedly be needed even more in the months ahead as a wave of unemployed New Yorkers threatens to test the limits of the city's safety net.

Despite all this, nonprofit leaders we spoke with fear that city and state agencies will not do enough to help them survive this crisis. In fact, there are some indications that New York's government leaders may be magnifying the problem. To be sure, most of the nonprofit leaders we interviewed applauded the de Blasio administration for steps it took in the first weeks of the crisis to support the human services sector—including its pledge to be flexible with contracts already in place. But many nonprofits now fear that the city is backpedaling on that promise. Indeed, a letter sent out from the City Council in late April suggested that the city may no longer reimburse organizations for services already provided between late March and late April—a potentially devastating financial blow for many nonprofits. "That kind of retroactive cut is the most damaging way to achieve savings," says Ben Thomases of Queens Community House.

Nonprofits also worry that state and city agencies will refuse to reimburse them for bonus payments they made to on-site workers during the past several weeks. Numerous organizations across the city instituted extra "incentive pay" to keep hourly and per-diem employees working at a time when the on-the-job risks have increased dramatically. But many in the sector are hearing that agencies will not compensate them. "If you're asymptomatic, you're obligated to come to work. But tell that to a young guy making $16 an hour who has two kids at home. He knows he's putting himself at risk, so we feel like we have to do something," says Bill Baccaglini, president and CEO of New York Foundling, a child welfare organization.

"When all the dust settles, it's the provider community that's going to be holding the bill for having fully accommodated all of the decisions both the city and state have made," adds Baccaglini. "We're hoping that everybody, at the end of the day, makes us whole."

This report, based on interviews with leaders of over two dozen human services organizations based in the five boroughs, documents the unexpected costs, lost revenue, and new challenges facing New York's nonprofit human services organizations. The report also provides specific recommendations as to what city and state policymakers should do right now.

Organizations have already taken a massive total financial hit

For many of the organizations we spoke to, disappearing revenues and multiplying costs related to the response are creating a new level of financial strain.

- Henry Street Settlement reports a total anticipated emergency outlay of "at least $1.2 million to date" as of April 7, including over $200,000 in bonuses to on-site employees and $35,000 in IT purchases, cleaning, and PPE. It's also spending an additional $150,000 per month on new food purchasing and distribution costs. Henry Street is also anticipating lost revenue due to cancelling the remainder of its season at its performing and visual arts center, Abrons Art Center, and cancelling several space rental contracts.
- Good Shepherd Services estimates that it "will have had about a million dollars of unanticipated costs above budget" by the end of the first month of coronavirus-related closure, says executive director Michelle Yanche, adding that "it'll be at least $100,000 to $150,000 for every week this goes on."
- Queens Community House anticipates $1.1 million in revenue losses just from the cancellation of summer camps. "For us, that's huge. We have 17 total COMPASS, SONYC, and Beacon programs," says executive director Ben Thomases. In addition, the cancellation of the Summer Youth Employment Program "will mean more than $500,000 in losses" for the organization. And with 90 percent of the organization's revenue coming from government contracts, further cuts could prove catastrophic. "I am expecting this to be devastating for Queens Community House," says Thomases.
- The New York Foundling will incur an extra $750,000 to $1 million for every six weeks of shelter-in-place—just to maintain shelter facilities and pay on-site employee hazard bonuses—according to president and CEO Bill Baccaglini.
- JCCA estimates that total expenses per month have increased by $800,000, including $400,000 for hazard pay, and $400,000 for combined costs that include personal protective equipment, transportation, food, technology for staff and families, and cleaning vendors.
- CAMBA expects "well over one million dollars in unanticipated costs," say Joanne M. Oplustil, president and CEO. "To meet the cash demands for all these expenditures, as well as to offset delays in reimbursements from our funders, we have had to leverage all the financial resources available to us, including taking on additional debt. These financing costs are not an allowable component of our overhead rate and we are forced to utilize our unrestricted funds. In addition, we've had to cancel two summer fundraisers, which are critical to our fund balance. If we have to cancel our annual gala it will mean a loss of hundreds of thousands of dollars."
- God's Love We Deliver, a medically tailored home-delivered meals provider, has "invested over a million dollars toward our early pandemic response, outside of normal expenses, and will certainly invest more as the crisis continues," according to Alissa Wassung, director of policy and planning. God's Love has also had to cancel its April and June signature fundraising events and is unsure how they will fill the losses.
- Community Access, which focuses on supportive housing, estimates significant revenue losses, including as much as $500,000 in lost Medicaid revenue due to program suspensions and changes to service delivery, according to CEO Cal Hedigan. The nonprofit also postponed its gala until October, resulting in an estimated "$400,000 loss in this fiscal year." Hedigan reports that Community Access also has "spent $50,000 on supplies and estimate $100,000 per month on pay appreciation" for staff.
- The Osborne Association, which supports people affected by the criminal justice system, had to cancel a May fundraiser projected to net about $800,000. "We are trying to raise private money, but we cannot make up for a cancelled major event," says Elizabeth Gaynes, president and CEO.
- NYC Outward Bound Schools expects revenue losses in the current fiscal year ending June 30 "in excess of $1 million, and maybe closer to $1.5 million"—more than 20 percent of their yearly budget—due to cancelled spring programming and the move from its regular May gala to online fundraising, according to president and CEO Richard Stopol.
- Urban Pathways, which provides services for the homeless, expects a 40 percent decrease in event revenue now that its annual May gala will be held online; and a 20 percent drop in private donations in fiscal year 2021 due to the

unstable financial market.

- Catholic Charities of the Archdiocese of New York has had to cancel its major gala and a golf outing scheduled for May, and estimate a total of $3 million lost because of cancelled and postponed events, according to Monsignor Kevin Sullivan, the organization's executive director.
- Opportunities for a Better Tomorrow (OBT), which focuses on job training and employment services, is facing over $400,000 in potential losses. OBT has cancelled all spring fundraising events—at a cost of about $50,000—and has had to postpone at least one of its programs at a potential loss of about $130,000 for this fiscal year. Additionally, the organization is facing losses of $300,000 that includes potentially unreimbursed city discretionary contracts, an unregistered city discretionary contract, and a New York State contract.
- Heights and Hills, which serves older adults, had to cancel its spring gala, which was budgeted to bring in $180,000.

A wave of new costs threatens organizations providing critical services

Our research found that many nonprofit service providers are encountering significant new costs they had not accounted for and which—especially when combined with declining revenues—are creating major financial and operational strains. These crisis-related expenses run the gamut from remote work and distance learning technology to cleaning services and personal protective equipment, but the most significant new financial pressure may come from staffing.

The coronavirus pandemic has brought major new risks to the health and wellbeing of staff who must work on-site and in-person, and several organizations we contacted have responded by paying bonuses, increasing wages, and providing additional benefits to those essential employees. Others have been forced to hire temporary workers to shore up staff and make up for the loss of volunteers—many of whom are older adults and cannot risk coming in.

New Staff Costs

- Henry Street Settlement has paid over $200,000 so far in unanticipated bonuses to all on-site employees. The organization felt this "special pay differential"—which works out to time-and-a-half for each hour worked—was necessary to keep its hourly and per-diem employees working at a time when the on-the-job risks have increased dramatically. Henry Street also anticipates spending $40,000 this year on childcare stipends, another new expense it deemed necessary to keep essential staff coming to work at a time when many of their employees' children are now attending school at home. And in recognition of the increased mental health toll of continuing to work during the pandemic, Henry Street also will pay approximately $8,000 this year to extend mental health counseling benefits to part-time employees.
- God's Love We Deliver has had to hire a significant number of temporary employees to keep up with the increased demand from the community. The organization relies heavily on 17,000 volunteers annually "who are at the heart of our organization," says Wassung, but "many volunteers have had to cancel their shifts because of their own compromised health status, corporate policies, work from home, care for children or other family members, and other reasons."
- CAMBA's Oplustil says that "To maintain adequate staffing at our permanent and transitional housing we have had to bring on additional temporary staff at a much higher cost than budgeted."
- Safe Horizon, a victim assistance organization, is giving a per-shift bonus to every employee who works at a site deemed to be essential. "We had approximately 300 people getting daily bonuses for [one] day and in some cases, that's adding 30 percent to their salary. That's a huge cost but an investment that is extremely important right now," says Greg Brooks, Safe Horizon's chief finance and administrative officer.
- About one fifth of Urban Pathways staff has been unable to work due to virus-related reasons, but CEO Fred Shack anticipates that number reaching 50 percent in the coming weeks. "Consequently, we are hiring more staff in HR and

in our essential services positions," he says.

- New York Foundling has been giving weekly bonuses to full-time staff of residential facilities for developmentally disabled adults. "Staffing is approaching a crisis," says Baccaglini.
- BronxWorks began reimbursing employees for work-related travel expenses to and from work. Many are working "a lot of overtime" due to numerous employees calling out due to illness or a lack of childcare, according to executive director Eileen Torres. "Staff feel overworked and overwhelmed," she says. BronxWorks is also planning to hire new security and maintenance workers due to staff shortages. "This will obviously cost us even more money," says Torres.

New Cleaning Costs

Human services organizations that provide in-person services, especially those administering shelter facilities, residential housing, and food preparation and distribution, are spending thousands of dollars to meet Department of Health guidance on cleaning and disinfecting.

- CAMBA has "already incurred about $150,000 in cleaning services at our sites which are required to remain open" as of April 20, says Oplustil.
- BronxWorks also has had to pay thousands for specialized cleaning services. "We never thought we would need to pay $14,000 to clean one office, but here we are," says Torres.
- Urban Pathways has spent significantly on supplies needed to comply with the city's cleaning protocol guidance. "One major cost has been purchasing additional cleaning supplies to reduce the spread of the virus and to meet the Department of Health's recommendations for enhanced cleaning protocols, as well as Personal Protective Equipment and hand sanitizer when it is available," says Shack.
- At its residential campus for people with developmental disabilities, JCCA has hired three specialized cleaning vendors to complete twice-daily deep cleanings of cottages where children are sheltering in place, as well as more frequent cleanings of dwellings where children with the virus are being isolated, according to CEO and executive director Ronald Richter.
- Queens Community House has seen costs for its home-delivered meals program go up significantly. "There are additional costs to clean our vehicles and all the equipment we use. There have been costs for personal protective equipment for the staff. We've also had additional costs to hire substitute drivers," says Thomases.
- Henry Street Settlement has spent $35,000 on a combination of IT purchases, cleaning supplies/services, and protective equipment to keep its shelters running safely as of April 7.

New Technology Costs and Challenges

Every organization we reached reports new technology costs and challenges. To ensure their own staff are set up to work at home, nonprofits are buying additional Zoom accounts, setting up platforms like Slack and Google classroom, and purchasing equipment like laptops and work desks.

- CAMBA estimates new IT spending to "reach well over $200,000" according to Oplustil. "In order to enable our employees to work remotely, we needed to quickly purchase equipment, including laptops, scanners, printers, [and] IPhone and mobile hotspots."
- The Door has spent over $290,000 in COVID related costs to enable remote work across all departments and both the SoHo and Bronx sites of the organization. In addition, the organization has had to purchase laptops for clients. "I made a huge order for Chromebooks because all the high school equivalency kids that come to The Door are essentially in a GED program," says CEO Eric Weingartner. "The worst-case scenario is that kids known to us lose traction on what they're doing to stabilize their lives," he added.

- PASE (Partnership for After School Education) is considering hiring a consultant to help with the onslaught of new IT-related challenges as they shift all their professional development workshops to online.

The transition to virtual operations also poses a new set of challenges for providers that serve highly vulnerable populations, such as victims of domestic violence and at-risk youth.

- The Red Hook Initiative (RHI) supports newly homebound youth, many of whom are struggling to adapt. “We have already seen an increase in the need for mental health support and expect that number to grow significantly in the weeks to come,” says executive director Jill Eisenhard. But many youth don’t want to participate in programs virtually. “They want one-to-one conversation, but at a time that works for them. People have indicated that they'd like to speak to a counselor, but then can't find space to take that call without a family member listening in,” Eisenhard says.
- The Osborne Association can no longer work inside prisons and jails, but has made its regular services available remotely, including drug treatment, job readiness, and employment placement, as well as services for teens and older children. Rikers Island staff employed by the Osborne Association have also established a seven-day-a-week Reentry Hotline to help people on Rikers develop a release plan, or access support after release.
- Now that CAMBA staff are largely set up to work remotely, the organization is facing another hurdle: engaging with "the hardest to reach, [including] the elderly, people living in unstable housing, unsheltered homeless, and doubled-ups," said Oplustil. Staff are struggling to explain ACCESS HRA (a website for applying for various city assistance programs, including food, money, and housing) to community members. "There’s a service gap for seniors who cannot grasp nor have the technology to access services," Oplustil said. In addition, tracking CityFHEPS (rental assistance supplement) applications; drop-off and pick-up of documents; and dispersing financial assistance are more difficult under remote work conditions.

Nonprofits are responding to an “unprecedented” demand for food and essential items

Our research found that organizations with a focus on food assistance and meal delivery have been inundated with requests from regular and new clients, and are facing challenges they’ve never dealt with before.

- God’s Love We Deliver is in the midst of responding to “a huge influx of need,” according to Wassung. “In a normal week we might see 100 referrals or so from the community, and right now we are seeing four to five times that much,” she says. “Many seriously ill people who would normally have a home health aide or family member cooking for them, or who got meals at a senior center or adult day care, are reaching out for help now."
- Queens Community House has seen “a huge surge in demand for our services. With home-delivered meals, in a three-week time period we saw a 10 percent increase each week. At the two food pantries we operate, demand has also increased dramatically,” says Thomases. Demand for their non-clinical mental health services is also “way, way up and frankly straining our capacity to deliver it.”
- Demand has also spiked over the past weeks at the soup kitchens and food pantries reporting to Food Bank for New York City. A growing number of those sites (41 percent as of April 1) are either closing or modifying their hours, largely because senior citizen volunteers are too high-risk to come in. Food Bank is also working with City Harvest and New York City Housing Authority to hold pop-up food distributions at 15 housing developments in all five boroughs.
- Henry Street Settlement has seen an increase in the number of seniors participating in its Meals on Wheels program, now reaching a total of 1,800 homebound seniors, and is spending an additional $150,000 per month on food purchasing and distribution to their nearly 400 shelter and supportive housing residents.
- “We’ve seen more demand for meal delivery, even for clients that are not necessarily homebound,” said Linda Lee, president and CEO of Flushing-headquartered Korean Community Services of Metropolitan New York.
- BronxWorks began drawing from its food pantries to deliver groceries after seeing “a significant increase in requests

for food assistance," according to Eileen Torres. Demand at BronxWorks's regular Saturday food pantry has nearly doubled, from 61 families to 121 families, as of April 14.

- Graham Windham, which provides youth and family support programs, made about 100 deliveries of basic items to clients during the last week of March, even though it normally does not operate any delivery services. “What we’re seeing is a real spike in basic needs,” says president and CEO Jess Danhauser.
- Red Hook Initiative has “transitioned, almost overnight, to respond to community need,” says Eisenhard. RHI is now distributing food to about 150 households per week, including over 2,000 pounds of produce one week in April; creating an emergency telemedicine system with volunteer doctors that has handled 850 phone calls and completed 250 screenings as of April 15; and shifting a staff social worker to provide adults with up to four mental health support sessions.
- Heights and Hills has rolled out new programs to respond to the needs of its mostly-homebound older adult clients. “We began utilizing community volunteers to deliver meals to about 50 clients who have not gotten food while the City rolls out their new meal delivery program, and we are also using volunteers to deliver about 30 emergency food packages each week to people who have run out of food,” says executive director Judy Willig. In addition, the organization “will shortly be rolling out a program where volunteers will be picking up groceries and necessary household items for homebound clients who do not have credit cards and are unable to use other existing resources for delivery.”

Other organizations are struggling to significantly expand the basic assistance they had been providing before the virus.

- Good Shepherd Services has seen requests for assistance with unemployment claims skyrocket from 4 to 8 per month to 12 to 16 per day. Many of those reaching out now feel more comfortable contacting local nonprofits rather than city agencies because they "are not computer savvy, have language barriers, and lack skills to navigate the system on their own," says Michelle Yanche.
- Heights and Hills was “getting 30-50 new requests for services each day and couldn’t keep up with the phone calls (we normally get about 35 requests per week)” says executive director Judy Willig. The organization hired several former interns and a retired employee per diem to catch up on the call log. Heights and Hills already had a growing waitlist for services prior to the crisis, and the wait list “is now well over 500 people.”
- CAMBA estimates a 30 percent (80 person) increase in call volume to its HomeBase homelessness prevention programs in Brooklyn and Staten Island. "We have many first-time callers who have never experienced a housing crisis and have no idea about tenant protections and housing law," says Oplustil. "We also have many callers that are undocumented that have no idea how to get assistance," Oplustil added.
- Arab-American Family Support has expanded outreach efforts to make sure families are enrolled in health insurance and SNAP benefits, and “have access to the culturally and linguistically competent information they need to remain healthy and safe,” according to director of development and communications Kerry Sesil. And in the span of two weeks, Arab-American Family Support received the number of requests for emergency financial assistance that it typically receives in two months.

Response of city and state officials has left organizations anxious about reimbursement

The de Blasio administration initially promised to reimburse organizations for many crisis-related expenses, including cleaning services, technology for remote work, and replacement workers for staff who fall ill. And on April 20, Governor Cuomo called on the federal government to provide funding toward 50 percent bonuses, or "hazard pay," for frontline workers.

But nonprofits are largely footing the bill in the meantime, and many of the nonprofit leaders we interviewed say they now fear that the city and state will not cover the costs they have already incurred. Moreover, each organization has been told it must

first submit a plan to their funding agency for approval—a seemingly impossible task given how “this crisis changes by the second,” says Eileen Torres of Bronx Works.

- Multiple nonprofit leaders expressed concern about a letter sent to them by the City Council on Thursday, April 23 stating that the city will honor FY2020 council discretionary contracts only through March 22—and that after date will only honor such contracts if the funded services are essential. Nonprofit leaders say this is an about-face from early April, when the mayor indicated that all city human service contracts would be honored. With the expectation they would be paid, many organizations continued to operate during this month-long period and now face the potentially disastrous prospect of not being compensated for services already delivered.
- The Administration of Children’s Services (ACS) is credited by Dannhauser of Graham Windham for “getting cash out” to organizations quickly, but he’s gotten word from the city that any pay provided to stabilize Graham Windham's workforce won’t be reimbursed. “We can't wait for that assurance,” he says.
- BronxWorks received the same denial from the city after requesting to be reimbursed for the bonus pay the organization put in place for on-site workers. "These are the same employees the city refuses to allow us to submit staff increases on and they earn minimum wage. Yet now they are essential and must risk their lives to come to the office. We should be able to provide them with some incentive. At a minimum the city (and state) should agree to reimburse for staff travel expenses into the office, including the use of ride-share services, paying of tolls, gas, and parking. We want to discourage staff from getting into a crowded subway where they cannot practice social distancing," says Torres.
- JCCA also heard from the city that it would not be reimbursed for incentive pay to workers at residential campuses for youth with developmental disabilities, according to CEO and executive director Ronald Richter. "You can't overstate the amount of anxiety surrounding coming to work," he says.
- The New York Foundling has received no indication from the state that staff incentive pay will be reimbursed. "But if we don't [increase pay], I'm not going to be able to continue to provide this care," says Bill Baccaglini.

Uncertainty around timing of payments for city contracts, as well as delayed grant funding, are also weighing on nonprofits.

- The Osborne Association is "owed enormous sums of money" from several city and state contracts, including Council discretionary grants and regular awards, but can't bill for those expenses until its contracts are registered, which usually occurs between six months to a year after a contract begins. In the meantime, "We are wasting hundreds of thousands of dollars on interest for cash flow loans we have had to take," says Elizabeth Gaynes.
- The Knowledge House, a youth development and employment organization in the Bronx, is "currently owed a substantial amount of funds from our government contracts," and is struggling to communicate with its city agencies. “If grant funds continue to be delayed it will impact The Knowledge House’s ability to fulfill payroll within the next few months," the organization says.
- One small Brooklyn-based organization that provides education and job training for refugees has had to pause efforts that cover 60 percent of its operating budget. Some of the organization's funders are postponing grant decisions or reallocating funding to emergency relief, and even corporate partners with "signed pledged letters" are cutting their funding, says the founder and executive director, who added, "This has created a bleak picture for us."
- Arab-American Family Support Center has “been told by partners at city agencies they anticipate contracts will not be paid on time and that budgets for nonprofits will suffer next year, but hopes that will not be the case as nonprofits are providing critical response and recovery services,” says Kerry Sesil.
- Opportunities for a Better Tomorrow is facing losses of $300,000 including potentially unreimbursed city discretionary contracts, an unregistered city discretionary contract, and a New York State contract.

The human services sector is bracing for more challenges ahead

Many organizations were struggling financially before the pandemic, and leaders worry that the economic downturn will jeopardize everything from government contracts and foundation grants to individual and corporate giving. "I don't think any of us have even begun to think about what's happening with the financial crisis on the other side," says Overseth of PASE. "The market's way down. That is going to deeply impact endowments and foundations. It will impact the city's revenue and the state's. It's going to be painful."

Some organizations are already anticipating financial disruptions if programming must be canceled. Bridge to Enter Advanced Mathematics (BEAM), which provides STEM enrichment to underserved youth, is "very concerned about fundraising for FY2022," says Lynn Cartwright-Punnett, executive director of New York programs. "If we have to cancel our summer programs, it will cause us to have to seek major adjustments to many grants and completely change our fundraising approach and calendar."

Nonprofits that have adapted to address the immediate crisis, like Opportunities for a Better Tomorrow (OBT), are also concerned about their capacity to support clients through a prolonged economic downturn. "While there is a remarkable need right now to address the crisis we are living in, there is a clear message from the city and state that next year will be very difficult. What will that mean for our capacity to respond to what will be an unprecedented economic need months from now?" says OBT CEO Liliana Polo-McKenna.

With each week that passes, the pandemic underscores the crucial role of human services nonprofits in supporting communities and public health throughout the city. "Healthcare workers are absolutely the front line, and may they be supported in every possible way," says Wassung of God's Love We Deliver. "But I see nonprofits as this sort of second layer. They're still out and delivering and serving and trying to keep people safe at home and out of hospital, all across the country. I wonder how we can continue to support that infrastructure because it needs it."

What city and state government can do to support nonprofit human services providers

- **Honor contracts with nonprofits and avoid retroactive funding cuts.**
  Human services organizations have been operating under the assumption that programs under contract with the city will be fully funded, but a recent letter from the City Council stating that non-essential service contracts after March 22 will not be fulfilled has upended any certainty. "If we did something between March 22 and now and its determined that it was not essential, we won't get paid for it," says Richard Stopol of NYC Outward Bound. Nonprofit leaders say that this greatly undermines their ability to plan spending and allocate resources—it is "the most damaging way to cut our budgets," says Ben Thomases of Queens Community House.

- **Provide reimbursement for bonus pay to essential, frontline employees who are still reporting to work.**
  A broad coalition of 22 New York-based nonprofits have joined Governor Cuomo in calling for the federal government to provide 50 percent hazard pay for essential public workers, including frontline human services staff. In a signed April 23 letter, the coalition writes, "The proposed 50 percent bonus would provide critical support for a workforce that is underpaid and disproportionately women of color, and the organizations are committed to working with the governor's office to ensure that these workers have all the support they need . . . They are going to work every day and providing lifesaving services in their communities, staffing group homes for youth and homeless shelters, delivering meals to homebound seniors and families, providing critical services to formerly homeless persons and families with disabilities, and offering care for survivors of domestic violence. This work cannot be done remotely and becomes increasingly urgent as COVID-19 jeopardizes the health and economic stability of a growing number of New

Yorkers."

- **Ensure access to childcare and PPE for human services workers.**
  Human services staff are doing essential work often at a risk to their health, yet are unsure about their access to the city's provisions for other essential workers. "I feel as though we really need to be prioritized in terms of PPE," says Ronald Richter of JCCA. "We're out there in people's homes, in people's apartments. We're delivering food to families where we're the first line of defense in many ways. And there has not been a formal acknowledgement. We have not been told that our staff may access childcare at the city's regional enrichment centers. We asked."

- **Treat nonprofits like partners.**
  Many nonprofits have been quick to adapt their programs, follow government guidance, and scale up capacity on the fly to meet growing needs, but they have felt left out of the conversations among government agencies. Ben Thomases of Queens Community House states that he's "still waiting to hear back from the city whether we're going to get reimbursed for home delivered meals in excess of our contract . . . we are on pace to deliver far more than that because we are seeing a lot more demand from vulnerable homebound seniors." The city and state should recognize the profound efforts of human service organizations to meet the surging demands for support in the vulnerable communities they serve, and treat them as partners, especially when planning essential service delivery.

- **Loosen up contract budget restrictions to allow for more flexible funding.** "The more the city and state can be flexible in some of these contracts, the better we all would be," says Stopol of Outward Bound. Many nonprofits are shifting to different models of service delivery to reflect present circumstances, and yet the city and state have not always been receptive to their shifts. "For a lot of city, state funding they're very strict about what can be used under what line item and which budget modifications you can and cannot do," confirms Linda Lee of KCS. "Even if the total work is the same in the contract, if they could allow us to shift around, even between different line items, I think that would be incredibly helpful." Cal Hedigan of Community Access adds that "being able to use any unspent contract funds for FY20 in FY21 would also provide much needed flexibility in these uncertain times."

- **The state should issue guidance that contracts will be honored regardless of services delivered, and that it will cover Covid-related response expenses.**
  "One very important thing that the city did concretely early on was to issue guidance that the city would hold human service contracts harmless, and that the city would cover our Covid-related response expenses. The state has not done that. So, that is the most concrete thing that we need the state to do," says Michelle Yanche of Good Shepherd Services.

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Brooklyn nonprofits feel financial pinch as demand for services escalates

Brooklyn Daily Eagle, by Raanan Geberer, May 15, 2020

Frontline workers serving NYC's most vulnerable still lack hazard pay from city and state

Queens Daily Eagle, by David Brand, May 13, 2020

Brooklyn nonprofits feel financial pinch as demand for services escalates

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Three Children Have Died in New York of Illness Linked to Virus

New York Times, May 09, 2020

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