

# Help nonprofits hang on: What the city and state must do amidst the coronavirus crisis



By EMILY MILES

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**Workers move pallets of food at the Food Bank for New York City's main warehouse in the Bronx neighborhood of Hunts Point on June 7, 2017 in New York City.(Spencer Platt/Getty Images)**

The effects of the coronavirus on New York City are reaching mammoth proportions as the number of people affected soars. It's been speculated that city and state budgets will take a massive hit due to pandemic response and economic impact. Now we have estimates of how big that hit will be.

Based on data from previous recessions, City Controller Scott Stringer and the Citizens Budget Commission project that revenue shortfalls over the next two to three fiscal years could range from \$6.1 billion to \$20 billion. This week, Mayor de Blasio announced

\$1.3 billion in cuts over the next two years. We should expect that number to rise as the number of COVID-19 cases in the city continues to grow, along with unemployment numbers and claims.

Just as economists look to the past to predict the future, nonprofits have a pretty good sense of what will likely happen to them. We've seen it before. We have memories of devastating budget cuts from the city's brush with bankruptcy in the 1970s and the 2008 recession.

Both times, not-for-profit organizations' funding and contracts took big hits. For example, in the city's FY 2009-2010 budgets, the average city agency reduction was 6.7%. Compare that to 12.7% for the Administration for Children's Services, 12.5% for the Department of Homeless Services, and 18.9% for the Department for the Aging, all of which contract with nonprofits to deliver essential programs and supports to millions of New Yorkers.

As in the past, the city will of necessity determine which areas will need to be protected and where reductions can and should be made. No doubt public safety, as well as hospitals and health care, will be on the protected list, but the impact to city workers will be deep across the board. That has to mean that funding for nonprofits whose workers are on the front lines is likely to be on the chopping block, too.

Who will decide who's at the bottom of the funding pyramid?

At this very moment, nonprofits' professional, committed staffs are caring for the children of our city's healthcare workers. They're delivering meals and human connection to our elders. They're social workers visiting young people in foster care and residential homes. They keep our homeless shelters running, and they make sure the doors stay open at domestic violence shelters. Food banks are run by nonprofits, and so are many job training and placement programs. And they're doing this with little to no personal protective equipment such as masks, gloves, and hand sanitizer.

To sustain these vital programs, nonprofits will either have to try to fill the gaps with private donations when city funding is insufficient, or the people they serve will be denied the programs and supports they desperately need to survive. This will maximize the cost and length of any recovery,

As the city develops the plan to reduce its budget, let's make sure that the needs of all the city's residents and the heroes who work at nonprofits are not moved to the back burner, or off the stove completely.

It's crucial that we have a seat at the table as the state's budget is being finalized over the next two days, and the city budget cuts are negotiated. Otherwise, the nonprofit organizations the city and state rely on today may no longer exist tomorrow.

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