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**MAYOR BLOOMBERG ANNOUNCES NEW INITIATIVES TO HELP
NEW YORK CITY NONPROFITS COPE WITH CASH CRUNCH
AS A RESULT OF THE ECONOMIC DOWNTURN**

*Steps Will Reduce Organizations' Fixed Costs, Improve City's Contract
Procedures and Build New Partnerships to Help Strengthen Nonprofits*

Assistance Will Support More than 40,000 Nonprofit Organizations and their 490,000 Employees

Mayor Michael R. Bloomberg today outlined new initiatives to help New York City's more than 40,000 cultural, health and social service nonprofit organizations survive the economic downturn. A growing number of nonprofit organizations in New York City – which collectively employ more than 490,000 New Yorkers or 15 percent of the City's non-government workforce – are experiencing an increase in demand for services while facing major cash flow problems and steep declines in operating support. To address these challenges, the City seeks to reduce nonprofit organizations' fixed costs, expand loan programs, enhance the responsiveness and efficiency of City contracting procedures to speed payments, and build new partnerships to help foster stronger nonprofits. The Mayor announced the initiatives at a public forum of New York University's Robert F. Wagner Graduate School of Public Service. Also attending the forum were First Deputy Mayor Patricia E. Harris, Deputy Mayor for Health and Human Services Linda I. Gibbs, Cultural Affairs Commissioner Kate D. Levin, New York City Economic Development Corporation President Seth Pinsky, Information Technology and Telecommunications Commissioner Paul Cosgrave, Department for the Aging Commissioner Lilliam Barrios-Paoli, Administration for Children's Services Commissioner John B. Mattingly, Homeless Services Commissioner Robert V. Hess, Youth and Community Development Commissioner Jeanne B. Mullgrav, Human Resources Administration Commissioner Robert Doar, NYU President John Sexton and NYU Wagner Dean Ellen Schall.

“Almost half a million New Yorkers who make up our nonprofit workforce contribute profoundly to the heartbeat of our city by helping residents across the five boroughs – particularly during these trying times,” said Mayor Bloomberg. “Whether by training people for jobs, providing access to arts and culture or building affordable housing, the nonprofit sector is a vital part of the City and our economy. As nonprofits face increasing challenges due to the economic downturn, it's critical that the City take concrete steps to strengthen the sector and help it thrive.”

“Mayor Bloomberg has shown unprecedented acknowledgement and support of the vital role that the nonprofit sector plays in New York City,” said Dean Schall. “As the dean of the NYU Wagner Graduate School of Public Service, I applaud the Mayor for focusing needed attention on

the critical needs of nonprofits, which have been particularly hard hit by current economic conditions. Streamlining the process for nonprofits to contract with the city strengthens the bottom line. Just as important is the Mayor's call for increased collaboration and partnership. NYU Wagner, through its faculty, students, and alumni, is proud to partner with the city in its efforts to maximize the positive impact of the city's nonprofit sector."

"It is an honor to work with Mayor Bloomberg and an Administration that so clearly values the contribution of the nonprofit human services sector," said Human Services Council Executive Director Michael Stoller. "From the cost-of-living adjustments instituted early in the Mayor's first term, to the unprecedented public-nonprofit partnership led by the Deputy Mayor and the Human Services Council dedicated to innovation in service delivery and fundamental improvements in the contracting process, Mayor Bloomberg has shown a deep understanding of our work and a commitment to the people we serve."

"During these challenging times, it is invaluable to have a Mayor that recognizes the nuts-and-bolts of what it takes to run a nonprofit organization, as well as our sector's impact across every neighborhood in this City," said Alliance for the Arts President Randall Bourscheidt. "From increased access to Department of Cultural Affairs funding through today's announced initiatives, the cultural community has been strengthened enormously by this administration's thoughtful engagement."

The initiatives are:

Helping to Reduce Nonprofit Organizations' Fixed Costs

- **Enable nonprofits to group-purchase goods and services to save money.** The City will build on the success of a pilot program conducted by the Human Services Council that coordinated group purchasing among three nonprofit groups: the Children's Aid Society, Urban Pathways and Barrier Free Living. Joint procurement of information technology will begin for all nonprofits this summer, and a plan for insurance purchasing will be in place by the end of year. The City estimates that group purchasing can save up to \$5 million for nonprofit groups in contract with the City alone.
- **Evaluate nonprofit energy use and provide strategies to reduce costs.** The high cost of energy is increasingly a challenge for nonprofits. The City will lead an evaluation of energy use by the nonprofit community. Working closely with the New York Power Authority, the City will use the results to develop strategies that help nonprofits lower their energy costs by promoting energy efficiency and advocating for nonprofits to have the opportunity to buy "green" electricity at reduced rates.

Improving the City's Contracting Procedures to Help Nonprofits to Work with City Agencies

Over the past seven years, the City has negotiated two much-needed cost of living raises for workers in human services agencies through productivity and administrative reform savings, and streamlined contracting rules so that it is easier for nonprofits to do business with City agencies. Building on that success, the City will implement new actions to improve processes further.

- **Expand accessibility of City contract information and increase agency accountability.** The City will post all contract status information on www.nyc.gov, and update it weekly so

that all nonprofits with City contracts can easily check the status of any contract and where it is in the pipeline. In addition, the Mayor's Office of Operations will report on each agency's overall efficiency in processing contracts also on www.nyc.gov.

- **Reduce delays in nonprofit compliance review.** Working in collaboration with the Attorney General's Office, the City will speed the process under which nonprofits are required to demonstrate that they comply with charities regulation. The Mayor's Office of Contract Services will also review more than 1,600 human services contracts to ensure they meet the necessary conflict of interest and legal compliance requirements.
- **Propose that available bridge loans be increased 150 percent.** The City will propose that the New York City Returnable Grant Fund be increased from \$8 million to \$20 million – a 150 percent increase - for the next two fiscal years and expand the organizations and circumstances under which the loans can be issued. Organizations under contract with the City use these bridge loans, administered by the Fund for the City of New York, when cash flow is tight to cover short-term costs.
- **Partner with nonprofit lenders for revolving line of credit program.** As part of the 18 initiatives Mayor Bloomberg announced last fall to help New Yorkers weather the economic downturn, the City expanded the NYC Capital Access Revolving Loan Guaranty Program to include nonprofits. Nonprofits that need help meeting payrolls or other pressing expenses can apply for loans. The City has now contracted with a lender who specializes in nonprofit lending. The City has now partnered with five organizations to extend these resources to groups experiencing financial crisis to provide bridge loans for short-term stabilization.
- **Introduce a standard multi-agency human services contract.** Starting later this year, the City will solicit human service program contracts using a new standard contract format. Multiple City agencies are collaborating to introduce one standard contract to reduce paperwork and ease the burden on nonprofits. The City will also employ a more flexible approach to the bidding process, modeled on successful reforms the City made to the design and construction contracting process. Organizations will be afforded more opportunities to demonstrate how their individual programs best meet the City's service needs and performance standards. With an emphasis on streamlining time frames and reducing burdens, the new process will encourage and reward innovation and program diversity while it reduces burdens on nonprofit procurements.

Providing Dedicated Support to Strengthen Nonprofit Management

- **Offer dedicated assistance to nonprofits available through NYC.gov and 311.** All nonprofits – regardless of whether they have a contract with the City – can now call 311 to identify resources related to a broad range of management issues, such as: how to create a strategic plan, better manage financial resources, recruit new Board members, and learn about financial incentives. The City has also partnered with the renowned non-profit consulting firm, Community Resource Exchange (CRE), to create the “Executive Director Hotline” where senior members of the CRE staff will provide non-profit executive directors with immediate assistance through strategic advice, guidance or coaching. NYC.gov will mirror 311 in content and offer assistance with resources, answers to frequently asked questions and a searchable calendar to serve as the central location for nonprofits and their funders to receive information.

- **Provide Nonprofit Contract Facilitator for contract and funding award issues.** The Mayor's Office of Contract Services has designated senior staffer Jennifer Walty as the Nonprofit Contract Facilitator to help nonprofits that need special assistance with City rules, regulations or policies affecting their ability to obtain City funding. She can be reached at NFPhelp@cityhall.nyc.gov or by calling 311.
- **Launch partnership with private sector leaders to assist nonprofits.** In response to the current economic downturn, and inspired by business and government cooperation during the fiscal crisis of the 1970's, philanthropists Blair and Cheryl Cohen Efron and Gretchen and Jamie Rubin are partnering with the Mayor's Office to create Greater NY. The program will strategically pair business executives with nonprofit executive directors in two-year one-on-one partnerships. Leaders work together to develop and implement innovative solutions to nonprofit business challenges using best practices from both the private and nonprofit sectors. More than 30 business executives have already agreed to volunteer their time and resources. Greater NY is an initiative of the Mayor's Fund to Advance New York. The program is available to any nonprofit receiving funds from the City and applications to participate are available at www.nyc.gov.

Since 2002 the City of New York has dramatically reformed the way it works with the more than 2,000 nonprofit organizations that hold City contracts. In 2007, the Mayor's Office of Contract Services created the Capacity Building and Oversight Unit to assist nonprofit organizations who provide services to New Yorkers through contracts with the City. The City instituted more accountability than ever before by sharing comprehensive annual human services plans, publishing Concept Reports before all major request for proposal (RFP) processes – to allow vendors to comment before RFPs go out – and by making all RFPs available online and easily downloadable.

In 2006, the City created a nonprofit assistance desk at the Economic Development Corporation specifically to assist nonprofits. Since then EDC has assisted nearly 1,000 organizations. EDC has also assembled \$2.6 billion in tax credits and other benefits to help nonprofits in all five boroughs, creating and sustaining almost 50,000 nonprofit jobs.

Since November of 2007, the City has added more than 2,500 nonprofit services to the 311 referral system, which now has a team of 50 specially-trained operators dedicated to helping callers with social service-related needs around the clock. The 311 Call Center is now the nation's largest social service information and referral call center.

In 2008, the Department of Cultural Affairs instituted an open, competitive process for all eligible applicants to the Cultural Development Fund, with a goal of expanding access to funds, ensuring equity in funding allocations, and improving accountability for taxpayer dollars. For Fiscal 2010, Cultural Affairs has expanded on these improvements to bring its paper-based applications online, helping to streamline the process for the more than 1,000 nonprofits that apply for funding each year, and to speed oversight and fiscal procedures. The agency has also implemented a new Cultural Capital Grant procurement process that will dramatically reduce paperwork for nonprofits, and allow the City to accelerate funding processes for many projects by 50 percent.

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