800+ NEW YORK NONPROFITS CALL ON GOV. HOCHUL TO SIGN CRITICAL LEGISLATION TO FIX LATE PAYMENTS

Coalition to Fix Government Contracting warns chronic payment delays jeopardize critical services for children, families and seniors statewide

Full letter available here

ALBANY, NY – Today, more than 800 nonprofit organizations, businesses and funders joined the Coalition to Fix Government Contracting in calling on Governor Kathy Hochul to sign two bills that will start to address chronic late payments and cut red tape in state contracting.

The state relies heavily on nonprofit organizations to provide a wide variety of care for New Yorkers on its behalf, from running food pantries and shelters to providing legal services, substance abuse treatment and mental health care. But chronic delays in payments from New York State often force nonprofits to take out interest-bearing loans to pay for work they have already completed. In a letter delivered today, the organizations warned late payments threaten nonprofits' ability to serve their communities.

The two bills, sponsored by Senator Shelley Mayer and Assemblymember Amy Paulin, passed both houses of the Legislature in June and now await the Governor's signature:

- S.9761/A.10741 establishes clearer invoicing and payment schedules, improves contracting transparency and provides nonprofits with information about the state's short-term revolving loan fund.
- S.9855A/A.11179 requires state agencies to provide a 25% advance payment within 30 days after a contract is fully executed, giving nonprofits working capital to begin delivering services.

According to *Nonprofits in Peril*, a May 2025 report co-authored by members of the Coalition to Fix Government Contracting, one in three nonprofits with state contracts was owed money for work already performed, with at least $650 million outstanding. Nearly two-thirds of nonprofits said they were worried about covering basic operating costs.

"Last year, Governor Hochul chose to veto this legislation rather than support the nonprofits and their workers who are out on the front lines delivering for communities every day. These groups spent the last year taking out more loans and drawing on lines of credit as a result," **said Michelle Jackson, Executive Director of the Human**

Services Council. “Governor Hochul has one more chance to get this right. New York’s nonprofits cannot afford any more delays.”

“Nonprofits are the state’s partners in caring for New Yorkers, but right now, we’re the ones financing that partnership,” **said Jacqueline Ebanks, President and CEO of Nonprofit New York**. “New York City already guarantees nonprofits a 50% advance on their contracts. These bills ask the state for half that, along with clear payment schedules, so organizations can start serving people on day one instead of waiting months to be paid. Governor Hochul should sign them.”

“In her message vetoing last year’s bill Gov. Hochul promised administrative changes to address the long-standing challenges facing nonprofits across the state,” **said Megan Allen, CEO of the New York Council of Nonprofits**. “While we have yet to see any progress or administrative improvements, we amended these bills to address every concern raised by the Governor’s office. We have done our part: now we need Gov. Hochul to provide nonprofits with this common sense relief.”

Megan Allen also noted: In September Governor Hochul’s staff said the state plans to hire for a full-time position that will solely focus on nonprofit contracting. “Such action does not preclude the need for these bills, " she said. “This is another promise of relief, perhaps sometime in the future … but nonprofits need help meeting payroll now.”

“New York State contracts with nonprofit organizations to provide crucial services to millions of families and individuals across the state each year. We help the state achieve its goals, including supporting victims of crime, helping families avoid homelessness, providing legal assistance to immigrant communities and accessing economic supports - often saving the state much more money than it invests. We need Governor Hochul to sign these bills that take minimal steps to allow us to pay our staff, our rent and our utilities on time and avoid going into debt while we wait to be paid by the State”, **said Kristin Brown, President of the New York Legal Services Coalition**.

“Across Western New York, nonprofits are on the frontlines helping families make ends meet, keeping people housed, and connecting residents to the services they need. At a time when severe federal cuts are threatening essential services, New York State cannot add to that uncertainty by paying nonprofits late. Partnership for the Public Good is a network of 400 nonprofits working toward a better Buffalo Niagara, and many of our partners say that uncertain state contracting is their biggest operational challenge. Governor Hochul should sign these bills and give organizations the financial stability they need to keep doing this essential work,” **said Andrea Ó Súilleabháin, Executive Director of Partnership for the Public Good**.

About the Coalition to Fix Government Contracting:

The Coalition to Fix Government Contracting strengthens New York State's nonprofit sector through government contract reform and empowering the sector with a strong advocacy voice. The coalition's Steering members are: Human Services Council, New York Council of Nonprofits, New York Legal Services Coalition, Nonprofit New York, Nonprofit Westchester and Partnership for the Public Good.