

THE SENATE  
STATE OF NEW YORK



GEORGE M. BORRELLO  
SENATOR  
57TH DISTRICT

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July 28, 2020

The Honorable Andrew M. Cuomo  
Governor of New York State  
New York State Capitol Building  
Albany, NY 12248

Dear Governor Cuomo,

We are all in this together. That thought has strengthened and uplifted us during the darkest moments of the past four months. New Yorkers have borne tremendous sacrifices to get to this point and now the difficult work of recovering and rebuilding must begin.

The economic hardships wrought by this crisis are among the worst we've seen. However, the impact on our nonprofit community has risen to the level of an emergency. Nonprofits, which represent our largest private sector workforce with 1.3 million people, entered this crisis already stretched by years of underfunding and a growing demand for services. The added burdens of the pandemic have exacerbated these problems.

While recognizing our current budget challenges, the state should be honoring its commitments to these nonprofits by promptly and fully paying on its contracts and obligations. To that end, I am asking you to rescind recently enacted Executive Order 202.48 suspending prompt payment laws. At a time when COVID-19 has dramatically increased the need for human services, the state's intentional delay of payments is putting many of these critically needed programs at risk.

Unfortunately, this situation is one that nonprofits are all too familiar with. Comptroller DiNapoli has cited the state's persistent trend of late payments to nonprofits as a major detriment to their operational and financial capacity. However, against the backdrop of the pandemic and fiscal crisis, many of these service providers are hanging by a thread. The state's actions are jeopardizing the ability of many organizations to remain open precisely at the time when their programs are most needed.

The state should also end the practice of financially penalizing nonprofits that have successfully secured bank loans from the Payroll Protection Program by trimming their payments by an equal amount. For many of these organizations, the PPP funds are the only reason their doors are still open. Efforts by the state to adjust their contractually obligated payments downward will only further exacerbate the distressed situation of nonprofits and may ultimately leave them worse off, particularly if loans are not forgiven by the SBA. Practices like these are essentially leaving nonprofits in the position of being 'lenders' to the state and that is simply unacceptable.

The symbiotic relationship between New York State and its nonprofits is integral to ensuring the care, support and advancement of some of our most vulnerable populations. It is a partnership that is essential in even the best of times, but is truly critical at this moment as millions of New Yorkers are facing job losses, food insecurity, child care issues and so many other challenges. I urge the state to honor its commitment to those who are responding to these needs with the support and compassion that we need to emerge from this difficult chapter and move forward.

Thank you for your consideration of my comments and request.

Sincerely,

A handwritten signature in blue ink that reads "George M. Borrello". The signature is written in a cursive, flowing style.

George M. Borrello  
57<sup>th</sup> Senate District

Cc: Dana Carotenuto  
Deputy Secretary for Legislative Affairs