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NONPROFIT LEADERS APPLAUD LEGISLATURE FOR PASSING CONTRACTING REFORM BILLS TO FIX NEW YORK'S BROKEN PAYMENT SYSTEM

Sponsored by Senator Shelley Mayer and Assemblymember Amy Paulin, the legislation would establish clearer payment schedules, strengthen accountability, and help nonprofit providers focus on serving New Yorkers rather than navigating bureaucratic delays

ALBANY, NY â€œ The Human Services Council, New York Council of Nonprofits, New York Legal Services Coalition, Nonprofit New York, and Nonprofit Westchester today applauded the New York State Legislature for passing S.9761 (Mayer) / A.10741 (Paulin) and S.9855 / A.11179 (Paulin), landmark legislation designed to address longstanding delays and inefficiencies in the State's contracting system with nonprofit organizations.

Nonprofits are a critical part of New York's social safety net, providing housing assistance, legal services, healthcare, workforce development, services for older adults and people with disabilities, and support for children and families. Yet many organizations routinely wait monthsâ€”and in some cases more than a yearâ€”to receive payment for work already completed. The legislation, sponsored by Senator Shelley Mayer and Assemblywoman Amy Paulin would establish clearer payment timelines, improve transparency and accountability, expand access to bridge financing, and help prevent minor administrative issues from delaying payments to organizations delivering essential services on behalf of the State.

State Senator Shelley Mayer said, â€œI am proud that both my bills with Assemblywoman Amy Paulin have passed both the Senate and the Assembly and now head to the Governor for her signature.. Our nonprofit organizations are on the front lines every day, providing critical services and support to individuals and families across New York. Yet far too often, these organizations face delays in reimbursement and payment. This legislation will help ensure that nonprofits receive funding in a timely manner by establishing clearer standards, greater accountability, and a more efficient contracting process. At a time when demand for services continues to grow, and federal funding remains uncertain, New York must be a reliable and responsible partner. I am deeply grateful to the advocates, nonprofit leaders, and community organizations who championed this legislation. Their work strengthens our communities every day, and we are all better off because of their dedication and care.â€œ

"Nonprofits are the backbone of our communities," said Assemblywoman Amy Paulin. "They deliver essential services and help our most vulnerable residents. That is why I'm proud to pass legislation A.10741 and A.11179 with my colleague State Senator Shelley Mayer, which delivers the contracting reforms our nonprofit sector sorely needs to be paid on time when they show up for New Yorkers every day. I am grateful for the partnership of the broader nonprofit community to pass this bill, and look forward to working with the Governor to sign these important bills into law."

â€œNonprofits are proud to partner with New York State to provide critical services in all communities,â€œ said Megan Allen, CEO of the New York Council of Nonprofits. â€œBut to continue this important work, we need relief now from the decades-long state contracting challenges. Thank you to the Legislature for recognizing the need for change, and we urge Governor Kathy Hochul to sign these bills into law.â€œ

"Nonprofits deliver essential services that help New Yorkers stay housed, access healthcare and benefits, navigate legal challenges, and support their families," said Kristin Brown, President of the New York Legal Services Coalition Board and CEO of Empire Justice Center. "For years, providers have been forced to absorb the costs of the State's inefficient contracting systemâ€”taking on debt, draining reserves, and diverting resources away from services while waiting to be paid for work already completed. This legislation is an important step toward a contracting system that works better for nonprofit providers, taxpayers, and the communities they serve."

"At a time when nonprofits are facing growing demand and increasing financial pressure, these reforms will help ensure that organizations can continue providing the essential services New Yorkers rely on every day,â€œ said Jacqueline Ebanks, President and CEO of Nonprofit New York. "Our 2025 coalition report, Nonprofits in Peril documented what nonprofit leaders across New York have been saying for years: delayed contracts and late payments are weakening nonprofit operational infrastructure and negatively impacting the community members most in need of supportive services."

â€œThe passage of S.9761/A.10741 is an important step toward addressing longstanding contracting challenges that have burdened nonprofit organizations for far too long,â€œ said Jan Fisher, Executive Director of Nonprofit Westchester. â€œWe are grateful to the Legislature for recognizing the urgency of these reforms and advancing this legislation. As nonprofits continue to respond to growing community needs amid significant financial pressures, we urge Governor Hochul to sign this bill into law and help ensure that organizations can focus their resources on serving people - not navigating administrative barriers.â€œ

â€œThe passage of these bills is a hard-fought victory for the dedicated human services workers who show up every single day to support New York's most vulnerable residents. By voting to fix this broken system, the state legislature has finally recognized the resilience and worth of these essential professionals. The Human Services Council is grateful to Senator

Mayer and Assemblymember Paulin for standing up for the people who keep New York moving,” said Michelle Jackson, Executive Director, Human Services Council.

The legislation responds to findings from Nonprofits in Peril, a May 2025 report prepared by Human Services Council, the New York Council of Nonprofits, the New York Legal Services Coalition, Nonprofit New York, and Nonprofit Westchester found:

- 1 in 3 nonprofits with State contracts are owed money for services already provided
- The State owes at least \$650 million to nonprofits
- 65% of nonprofits are concerned about funding basic operations in 2025

Governor Hochul launched a broader push to cut red tape and improve how New Yorkers interact with government, including a statewide review of regulatory barriers and a new customer experience strategy. Advocates say these contracting reform bills align directly with that effort by streamlining processes, increasing transparency, and ensuring nonprofits can deliver services without unnecessary delays.

Similar legislation passed unanimously last year but was ultimately vetoed by Governor Hochul. The coalition noted that the challenges facing nonprofits have only become more urgent since then and urged the Governor to sign the legislation into law. Advocates said the reforms would represent an important step toward building a more effective, accountable, and sustainable partnership between New York State and the nonprofit organizations that serve millions of New Yorkers every day.

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