

SEN. MAYER, ASM. PAULIN, NONPROFIT LEADERS HOLD PRESS CONFERENCE URGING HOCHUL TO SIGN STATE CONTRACTING REFORMS AFTER ADVOCATES QUASH NYC PAYMENT DELAY PLAN

Elected and nonprofit leaders celebrated passage of contracting reform legislation and called on the Governor to sign the bills into law.

[Click here for photos and video from the press conference](#)

ELMSFORD, NY (June 25, 2026) â€“ State lawmakers and nonprofit leaders gathered at the Nonprofit Westchester headquarters on Thursday to celebrate the legislative passage of two nonprofit contracting reform bills â€“ S.9761 (Mayer) / A.10741 (Paulin) and S.9855A (Mayer) / A.11179 (Paulin) â€“ urging Governor Kathy Hochul to sign the legislation into law. The policies would establish clear standards, greater accountability, and more predictable payment practices for nonprofits contracting with state agencies.

Joining the elected officials were representatives from nonprofits and advocacy organizations, including The Children's Village, Human Services Council, New York Council of Nonprofits, New York Legal Services Coalition, Nonprofit New York, and Nonprofit Westchester, who detailed how the current contracting system results in programmatic cutbacks and existential risks for organizations delivering essential services on behalf of the state.

Advocates said the recent debate over nonprofit payments in New York City underscored the importance of reliable funding systems. Earlier this month, nonprofit organizations successfully beat back a reported proposal by Mayor Zohran Mamdani's administration to delay billions of dollars in advance payments. The purported plan was allegedly hatched before a new city law requiring 50% advance payments was to take effect on July 1. While the administration ultimately reversed course, advocates for the sector said the scare highlighted the financial challenges nonprofits face when government payments become uncertain.

State Senator Shelley Mayer said, â€œI am proud to join Nonprofit Westchester, Assemblywoman Amy Paulin, and nonprofit organizations across our community in urging Governor Hochul to sign these important bills. Too often, nonprofits that provide essential services are forced to wait months for payment â€“ money they are owed after New York issues a contract to the nonprofit. This delay strains their ability to serve our communities, leaving our neighbors in greater need. Once signed by the Governor, the reforms will create a more accountable and efficient contracting process so organizations receive funding on time and can focus on delivering housing, food assistance, mental health care, childcare, legal services, and other vital support for our community. I am proud to sponsor these bills with Assemblywoman Paulin, and I am grateful to Jan Fisher, Executive Director of Nonprofit Westchester, and the many nonprofit leaders whose advocacy made this possible.â€

â€œOur nonprofits are diligently working to feed the hungry, provide shelter to the homeless, and assist our most vulnerable residents, all while waiting for overdue payments from New York State,â€ said Assemblywoman Amy Paulin. â€œThis situation is unsustainable. These bills offer the fairness and predictability that nonprofits need to stay afloat and continue serving the New Yorkers who depend on them. I was honored to join Nonprofit Westchester, Senator Shelley Mayer, my Assembly colleagues, and advocates in calling on the Governor to sign these bills into law.â€

Specifically, the legislation before Governor Hochul would:

- S.9761 (Mayer) / A.10741 (Paulin) â€“ require written directives with clear invoice and payment schedules and provide nonprofits with information about the State's nonprofit short-term revolving loan fund.
- S.9855A (Mayer) / A.11179 (Paulin) â€“ require State agencies to provide a 25% advance payment of contract funds within 30 days of contract execution.

Participants noted that the 25% advance payment for state agencies is half the level that New York City law requires beginning July 1 â€“ a guarantee that the Mamdani administration has now committed itself to.

Advocates also highlighted that the bills address several fiscal issues raised by the Governor, who last year rejected S.7001 (Mayer) / A.7616 (Paulin), contracting reform legislation that passed both chambers unanimously. Responding to the concerns expressed by the Governor in her veto message for S.7001, state lawmakers ensured the current legislation:

- Ensures advance payments are only required after contracts are fully executed and providers have been vetted, and the Legislature has appropriated funding.
- Removes provisions related to mandatory interest payments.
- Accommodates restrictions related to federal funding.

Among the speakers at the press conference was Jeremy Kohomban, President and CEO of The Children's Village, who was among the nonprofit leaders who publicly criticized New York City's reported proposal to delay payments to providers earlier this month. Kohomban has said The Children's Village spent nearly \$860,000 on their credit line last year, most of it directly related to delayed payments from the city.

"The nonprofit community's response to the New York City payment proposal demonstrated just how critical predictable funding is to the organizations serving New Yorkers every day," said Jeremy Kohomban, President and CEO of The Children's Village. "When our partners in government delay payments, nonprofits don't stop providing services—we continue showing up for children, families, and communities. And as noted by SeaChange, when government delays payment, these amazing nonprofits must fund the associated cashflow strain by cobbling together some combination of philanthropy, borrowing, delayed payments to vendors, staff furloughs or even—though it is against the law— withhold staff pay." Nonprofits fortunate enough to be able to borrow must also scrounge up the cash to pay the interest on any associated borrowings, thus depriving our communities of desperately needed investment. These bills offer practical tools to help stabilize the state's partnership with nonprofits and ensure providers can focus on delivering results rather than managing avoidable financial uncertainty."

Multiple coalitions representing nonprofits across the state detailed the immense stress delays and bureaucratic snags in payments cause for their members.

"Human services workers support the most vulnerable New Yorkers each and every day, and this legislation is critical for protecting them," said Michelle Jackson, Executive Director of the Human Services Council. "We are grateful to Senator Mayer and Assemblymember Paulin for their leadership on this matter and strongly urge Governor Hochul to sign these common-sense protections into law."

"Nonprofits are proud to partner with New York State to provide critical services in all communities," said Megan Allen, CEO of the New York Council of Nonprofits. "But to continue this important work, we need relief from the decades-long state contracting challenges. We hear regularly from nonprofits around the state about the immense challenges caused by delays in state payment and inefficiencies in the state contracting system. These bills include common-sense reforms that will make a difference; we need Governor Hochul to sign them into law now."

"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. "The recent events in New York City brought renewed attention to a challenge nonprofits have faced for years: uncertainty about when government funding will arrive. The legislation before Governor Hochul accommodates her legal and fiscal concerns, and presents the state with an opportunity to build a more transparent, accountable, and predictable contracting system that better supports providers and the communities they serve."

Matt Gonzales, Vice President of Policy and Advocacy at Nonprofit New York said, "Nonprofits are the backbone of New York's safety net and economy, employing over 1.3 million people. Right now, however, our shared goal of serving these communities is hindered by administrative barriers. Chronic contracting delays mean nonprofits are regularly waiting six months or more for reimbursements, forcing many to float state programs on empty reserves. Governor Hochul has a powerful opportunity right now to champion the nonprofit sector. By signing these two bills, the Governor can bring much-needed stability to our sector. Governor Hochul, we urge you to seize this opportunity and sign these bills into law."

"The passage of S.9761/A.10741 is an important step toward addressing longstanding contracting challenges that have burdened nonprofit organizations for far too long," said Jan Fisher, Executive Director of Nonprofit Westchester. "We are grateful to Senator Mayer and Assemblymember Paulin for championing this legislation and, along with the Legislature, for recognizing the urgency of these reforms and advancing the 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."

Westchester County Executive Ken Jenkins said: "Nonprofits are among our most important partners in delivering critical services to residents across Westchester County and throughout New York State. When nonprofits are forced to wait months for reimbursement, it places unnecessary strain on their operations and ultimately impacts the people they serve. These reforms are practical, reasonable steps that will provide greater predictability and financial stability for nonprofit providers. I thank Senator Shelley Mayer, Assemblywoman Amy Paulin and the many advocates who have championed this effort, and I urge Governor Hochul to sign this legislation into law."

The legislation responds to findings from *Nonprofits in Peril*, a coalition report released by the Human Services Council, New York Council of Nonprofits, New York Legal Services Coalition, Nonprofit New York, and Nonprofit Westchester, which found that:

- 1 in 3 nonprofits with State contracts are owed money for services already provided.
- New York State owes at least \$650 million to nonprofit organizations.
- 65% of nonprofits are concerned about their ability to fund basic operations.

Organizers also noted that Governor Hochul has made improving government efficiency and customer experience a priority, and said the legislation aligns with those goals by reducing administrative barriers, improving transparency, and helping ensure that funding reaches providers in a timely manner.

Speakers concluded the event by urging the Governor to sign the legislation and strengthen the partnership between New York State and the nonprofit organizations that deliver critical services to millions of New Yorkers every year.

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