

## Cuts at a cruel time Nonprofits told they will take hit because of pandemic

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### Body

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The Chinese-American Planning Council has been on the front lines of the fight against coronavirus, providing meals, personal protective equipment and many other services to New Yorkers.

But funding cuts have forced the group to lay off 150 staffers since March, and now the city is piling on.

Mayor de Blasio recently told nonprofits they'll be on the hook for millions of dollars in overhead costs - known in budget jargon as "indirect costs" - that the city had previously promised to reimburse.

"There's a huge increase in the demand for our services ... and all of this is happening at a time there have [already] been significant cuts," Carlyn Cowen of the council told the Daily News on Thursday. "The cut to indirect costs is the cherry on top to how difficult it has been to nonprofits to make this work."

Hundreds of nonprofits rely on the largesse of city taxpayers to help fund all kinds of services. But until last year, they were on their own when it came to keeping the lights on, making rent and covering other operational expenses.

De Blasio and City Council Speaker Corey Johnson promised \$54 million for those indirect costs, touting the funding as a major boon for nonprofits like the Chinese-American council.

"We need to do more to help nonprofits that are providing a broad array of essential services to New Yorkers, and this initiative will do just that," Johnson said in a December press release.

This summer, the economic effects of the coronavirus outbreak forced the city to make painful cuts all over the map. But the fresh cut to nonprofits is especially galling to them - and some Council members - because those funds were allocated before the outbreak. They were expected to be doled out retroactively and are now being taken away.

Last week, de Blasio informed nonprofit leaders that funding for indirect costs would be cut by \$20 million, down to \$34 million.

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"We recognize that this cut comes at a time that is also challenging for our city partners as they deliver services during COVID-19 re-opening," Hizzoner wrote service providers last week, adding that the city was making "an effort to recognize all of these providers and respond equitably."

That's not good enough for Councilman Ben Kallos (D-Manhattan), chairman of the Council's Committee on Contracts.

"Mayor de Blasio has the money and he needs to pay up," he told The News. "These are nonprofits that helped our most vulnerable during the pandemic. Now he's not only going to hurt them, but the New Yorkers that need the help more than ever."

Kallos (photo) and 19 other Council members wrote de Blasio earlier this week urging him to restore the funding - and deliver for 2021. Funds are yet to be reallocated for any indirect costs next year.

"This is not only a devastating blow to FY20 budgets for providers, but the lack of commitment for FY21 funding ... puts providers in an even more precarious position," the Council members wrote.

Johnson was not among the letter's signatories, but echoed the call.

"We are disappointed that there is a reduction, but the Council will continue to fight to restore the gains that were lost," a spokesperson for the speaker said in a statement.

The mayor's office said a working group would hash out a policy for indirect costs for 2021.

"The fiscal crisis due to COVID-19 lead to tough budget circumstances, but we remain committed to supporting nonprofits however we can in this new reality," de Blasio spokeswoman Laura Feyer said in a statement.

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