



**COUNCIL OF AGENCY EXECUTIVES**

together we're better

# ADVOCACY AGENDA

**2025**



# COAE 2025

## ADVOCACY AGENDA

The **Council of Agency Executives (COAE)** proudly presents its 2025 Advocacy Agenda to our trusted state and federal policymakers. Founded in 1999 as an organization that wished to help nonprofit executives “lead with excellence,” over the past quarter century, the COAE has grown to represent a wide spectrum of organizations and serves as a united voice for Greater Rochester’s nonprofit sector. Collectively, our members invest over 1 billion dollars in the Rochester region and employ more than 20,000 individuals. The services they provide help more than 1,000,000 people, annually.

This Advocacy Agenda outlines critical concerns with public policies, funding, and administrative practices that prevent our members from most effectively caring for our community’s most vulnerable residents; from helping families overcome hardships due to poverty and racism; and from improving our community’s overall quality of life through the arts, education and public service.



The Greater Rochester nonprofit sector cannot thrive without supportive government partners. It is our responsibility not only to shine a light on public policy barriers to our sector’s effectiveness but also to provide solutions that would allow us to collectively better serve our community. This agenda, developed by COAE’s Advocacy Committee, is presented in a time of great uncertainty and peril within the entire human service sector. The viability of the nonprofit sector is directly related to its ability to engage policymakers, advocating through education. We hope this agenda provides a blueprint for a brighter future for our community.

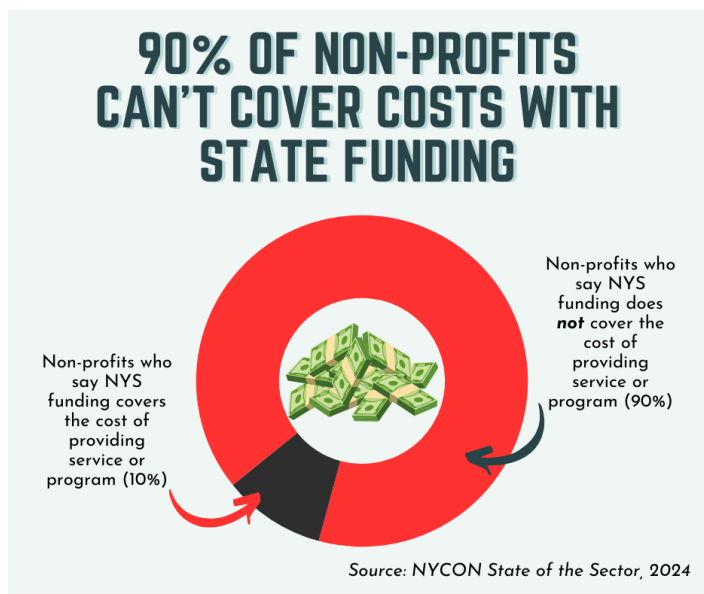




# 1 FUNDING

Every year, New York State relies more and more on the nonprofit sector to care for our most vulnerable populations. And yet, due to decades of lack of investment and funding cuts, the nonprofit sector finds itself in a state of peril. Additionally, low Medicaid reimbursement continues to plague agencies that provide essential physical and behavioral healthcare services to at-risk New Yorkers, especially those in nursing homes.

According to the New York Council of Nonprofits 2024 State of the Sector report, 62% of nonprofits in our State are concerned about funding their basic operations. This dire situation is compounded by a national downward trend in philanthropic giving, which when adjusted for inflation, declined by 2.1% in 2023. Rochester is not immune to this trend, as the impact of both the pandemic and inflation has created severe stress on our community's nonprofit sector. This lack of funding has serious implications, with 24% of nonprofits in New York State contemplating reducing critically needed services. Moreover, the underfunding of nonprofits has resulted in 22% of human service workers depending on SNAP benefits.



Recognizing this, the COAE has joined a statewide effort to collectively request a 7.8% investment in human services. This would reflect the impact of inflation on nonprofits' bottom line and provide the necessary resources to address the wide spectrum of challenges that nonprofits, large and small, currently confront – from the ability to provide living wages to employees, to increased overall operating costs. This statewide effort is also working to ensure that any such investment captures all agencies providing contracted human services programs, many of which were excluded from last year's rate increase.

## The COAE Recommends the following:

- **Adopt a 7.8% investment in human services** that is inclusive of all state agencies providing funding to nonprofits delivering vital services to New Yorkers. This investment will make progress in increasing wages for direct care and frontline workers' wages, and to address inflationary increases related to operational expenses.
- **Modernize Medicaid reimbursement rates:** Ensure access to quality and affordable mental health, physical health, and social care services through increased reimbursement rates and equitable compensation practices.

# NONPROFIT CONTRACTING REFORM

# 2

The COAE continues to sound the alarm on the glacial manner in which existing grant funds are disbursed to nonprofits that provide valuable services on behalf of New York State. While there was a modest improvement from the previous year, an alarming 56% of state contracts were still processed after their start or renewal date. In total, 25 state agencies (more than three-quarters of all reporting agencies) reported that 67% or more of their contracts were processed late. In fact, if you don't account for the one state agency that is performing well in this regard (the Council of the Arts), the late contract rate would climb to 78%!

This is not a new problem; however, it continues to pose significant cash flow issues for nonprofits and effectively serves as a disincentive for small and moderate-sized agencies to access state funding. These grassroots organizations, often led by leaders of color, are typically our community's "front door," providing a trusted place for people in need of help to access vital support.

Even when there is a remedy in state law to help nonprofits impacted by the slow contracting process, it is ineffective through under-utilization. In 2023, only 7% of late contracts potentially eligible for late payment were paid prompt contracting interest, as required by law.



## The COAE recommends the following:

- **Reform the NYS Nonprofit Advisory Board** (S.2262 – Cooney) to ensure that it isn't effectively controlled by the state agencies to whom it is supposed to provide oversight. The legislation would restructure the voting membership of the Board to make it more independent from the Executive Branch.
- **Creation of a revolving loan fund** for smaller agencies with executed state contracts who do not have the cash position to advance funds subject to reimbursement. The existing, yet widely unknown, Non-for-Profit Short-Term loan receives a minuscule annual appropriation of \$150,000. The State must increase this annual appropriation exponentially and reform the construct to broaden utilization.

# 3

## WORKFORCE DEVELOPMENT

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Nonprofit organizations are disproportionately hampered by an inability to provide competitive compensation in this tight labor market. According to a 2024 survey of Nonprofits in New York, maintaining competitive salaries and benefits remains a top challenge for agencies in the sector. This represents a public policy crisis as the human services sector is continuously being asked to administer more services on behalf of governments at all levels but faces tremendous challenges in providing a workforce to meet those demands. Furthermore, the disparity between wages paid by state-operated and nonprofit agencies continues to grow (currently estimated at 30%), putting nonprofit agencies at a competitive disadvantage and creating a two-tiered compensation structure for human services workers.

### The COAE recommends the following:

- Adopt legislation to create a **Human Services Wage Board** (S3953, Ramos) to examine the roles and responsibilities of human service workers and establish fair, sustainable compensation standards commensurate with that work.
- Ensure that human services/nonprofit employers can access NYS workforce development funding (e.g., from the Office of Strategic Workforce Development) to allow the sector to develop accessible and navigable career pathways, on-the-job training grants, and other potential programs to develop a sustainable workforce. This would involve amending the budget language that created these workforce programs in an affirmative manner.



Photo credit: ARC of Monroe

# 4

## DEMONSTRATION PROJECT TO BUILD SMALLER AGENCY CAPACITY

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The COAE, in collaboration with Causewave Partners and CCSI, has designed a demonstration program to deliver scalable, fractional staffing accessed by multiple organizations in the areas of Finance, Marketing, and Human Resources. This initiative leverages the expertise of management and administrative service agencies in capacity building, addressing a critical need voiced by nonprofits. During the pilot phase, these services would initially be made available to 15 small to mid-sized nonprofits.

A dedicated cohort of up to four nonprofits led by people of color will participate as a learning collaborative in the second and third year of the pilot, exploring new opportunities to strengthen their organization's capacity to potentially offer something similar in the marketplace so that more choice is available when finding a provider of fractional support. This can lead to sustainability while advancing equity, access, and impact. Through tailored work and strategic staff matching scopes, the pilot aims to reduce administrative burdens in core functional areas, including recruiting, managing, and retaining staff, and boost mission-driven outcomes.

### The COAE recommends the following:

- The three-year Shared Services Pilot has a budget of \$2.7 million. The COAE requests funding from the State of New York in the amount of **\$750,000** to help leverage private support. COAE is seeking funding from a variety of partners, including multiple private foundations.

## NONPROFIT LOBBYING REFORM: NYS

# 5

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According to Non-Profit New York, "fewer than 3% of nonprofits engage in lobbying. Lobbying rules in New York have become increasingly more complex over the past 20 years, and reporting lobbying activity can be resource-intensive, particularly for small grassroots and BIPOC-led organizations. This effectively shuts out many nonprofits from the legislative process.

### The COAE recommends the following:

- Adopting **A Place at the Table Campaign** legislation - S.2224 (Krueger) - to raise the "lobbying threshold" and index the threshold to inflation, to create more access for all 501(c)(3) nonprofits to lobby, not just large and well-resourced organizations.



# 6

## FEDERAL GRANT REFORM

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We encourage Congress to adopt the **Streamlining Federal Grants Act (S.2286 / HR 5934 of 2023)** which would significantly improve federal grant administration, reduce administrative barriers, and help ensure equitable access to vital resources. This bipartisan legislation will significantly benefit nonprofit/charitable organizations by addressing critical issues involved in the management of federal grant programs. This includes:

- Better coordination and standardization of policies and rules across different agencies
- Streamlined grant application process
- Improved transparency with funding opportunities
- Equitable Access to underserved communities.
- Support for workforce development

## ADDRESS THE “BENEFITS CLIFF”

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# 7

Underemployed and low-income workers in New York State often remain trapped in a cycle of poverty because the structure of social service benefits discourages economic mobility and career progression. This is a tangible barrier to work, as often individuals who are living in poverty are unable to forgo a reduction in income in order to either enter employment, seek higher employment, or enter into a paid job training program. This unintended consequence of our social services system prevents individuals from entering the workforce (and paying income tax), it keeps them on taxpayer-funded public assistance.

### The COAE recommends the following:

- Create the **Monroe County Ladder Demonstration program** which will bring together resources from employers and the County to help address any real or perceived loss of means-tested public benefits through the provision of work payments (Executive Budget Proposal)
- Enact a six-month benefit disregard with a higher threshold (400% FPL), which will encourage workers to take career leaps.
- Allow training program enrollment to satisfy benefit program work requirements.
- Update asset caps for collecting social service benefits.
- Convene social service experts to study benefit adjustments and eliminate the cliff once and for all.

# ABOUT THE COUNCIL OF AGENCY EXECUTIVES

Comprised of roughly 150 not-for-profit organizations in the Greater Rochester area, the Council of Agency Executives (COAE) convenes leaders and builds peer-to-peer collaboration through our programs and networking. To support and elevate our members' leadership, COAE offers professional development and thought-leadership content sharing best practices, celebrating progress and collectively solving issues vexing our organizations.

**Our Vision:** A stronger, more vibrant and caring community because of excellence in nonprofit leadership.

**Our Mission:** To inform, inspire and support nonprofit executives who strive to lead with excellence.



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