

Published on National Council of Nonprofits (https://www.councilofnonprofits.org)

Original URL: <a href="https://www.councilofnonprofits.org/opinions/business-usual-tale-two-sectors">https://www.councilofnonprofits.org/opinions/business-usual-tale-two-sectors</a>

## **Business As Usual: A Tale of Two Sectors**

By: Tim Delaney

As the clock ticks down towards the latest two federal fiscal crises manufactured by politicians, charitable nonprofits prepare for business as usual: doing even more to serve the American people.

While business as usual in Washington focuses on partisan posturing and personal positioning, the business of serving communities doesn't stop. Indeed, the needs of the people have escalated due to the all-too-steady stream of actual and threatened government slowdowns, shutdowns, and meltdowns. That's why charitable nonprofits do all they can to keep their doors open to serve local communities across America.

Members of Congress, instead of doing their jobs of passing a budget on an informed basis, have resorted to recycling "Continuing Resolutions" extending the basic budget from prior years. That empty approach avoids making thoughtful cuts with a scalpel and has kept in place the mindless meat cleaver of random sequestration cuts.

As politicians at all levels cut services to the public throughout the Great Recession, they have -- without consultation or consideration -- transferred those governmental

responsibilities onto the backs of charitable nonprofits. Consequently, data show that demand for nonprofit services has skyrocketed year after year after year. And all without similar increases in resources to meet the higher demand.

Making matters worse, the <u>Nonprofit Finance Fund's State of the Sector survey</u> found in 2013 that, for the first time, a majority of nonprofits say that they will not be able to fulfill the ever-increasing demand for services. Not because of their own action or inaction, but because when government services aren't available, even more people turn to nonprofits for some sort of help and nonprofits don't have enough resources to meet the increased needs. The recent sequestration cuts and the pending shutdown have only intensified demands being put on nonprofits.

Rising demands for services and governments' failure to pay for them are nothing new, but they have worsened in recent years. As separate national surveys from the <a href="Urban Institute">Urban Institute</a> and the <a href="Nonprofit Finance Fund">Nonprofit Finance Fund</a> demonstrate, governments that contract with nonprofits to provide services routinely fail to pay full costs and they continue to pay nonprofits late, both of which create serious operational issues and increase costs for nonprofits.

Over the last few decades, governments at all levels have turned to their partners in the nonprofit sector, contracting with them to deliver more and more services in the community. In times of economic uncertainty, payments on those contracts are slow to arrive. While for-profit contractors pause their work when payments from governments don't cover the costs of those services or are delayed, nonprofits don't have that luxury. A highway contractor can stop paving the highway; the provider of human services such as food, shelter, or health care cannot.

Continued budget uncertainty and another round of across-the-board cuts are not what our communities require right now. We need our elected officials to make the difficult decisions they were elected to make so government would work. After years of putting politics before policy and party over the people, it's time for federal officials to get down to the business of serving our communities.

This article originally appeared on The Huffington Post, Sept. 30, 2013.