

Request for Proposals

2010 Economic Recovery Fund

I. About the Foundation

The New York State Health Foundation (NYSHealth) is a private foundation dedicated to improving the health of all New Yorkers. NYSHealth has a three-part mission:

- expanding health insurance coverage to State residents who cannot afford to purchase their own coverage or whose coverage is inadequate;
- increasing access to high-quality health care services for underserved people; and
- improving public and community health by educating New Yorkers about health issues and empowering communities to address them.

To support this mission, NYSHealth established the following three priority areas: **1)** reducing the number of uninsured; **2)** improving health care for people with diabetes; **3)** improving integrated care for individuals with co-occurring mental health and substance use disorders.

II. Background

The nationwide economic recession is adversely affecting every state. As the home of the financial services industry, New York State is being hit especially hard by the decline. In past years, Wall Street provided a large percentage of State tax revenues. With a deteriorating job market and the current unemployment rate at 10%, New York is facing dramatic budget shortfalls that could rise to as much as \$10 billion due to decreased tax revenues.

A countercyclical relationship exists between the economy and the demand for health and human services. In the private sector, the loss of jobs or scaling back of employer-based coverage is likely to increase the number of people without health insurance. As unemployment increases and wages stagnate, increasing numbers of people will seek assistance with health care, housing, food, and other basic needs. Medicaid enrollment, for example, has historically risen during economic downturns.

While the nonprofit sector and the services it provides will be in high demand, the ability of social service agencies to respond to increased needs is uncertain. Institutional philanthropic support is likely to be diminished due to reductions in endowments. Many foundations that were connected to financial institutions have either ceased funding or reduced their funding commitments. With cut-backs in private funding, nonprofits are having a difficult time financing projects and expanding new ones due to delayed government contract payments and freezing of renewals on current contracts.

KEY DATES:

INQUIRY DEADLINE

February 16, 2010

FULL APPLICATION DEADLINE

March 25, 2010

OUTCOME NOTIFICATION

June 25, 2010

Additionally, individual giving will most likely be reduced as people find their personal finances to be under greater stress.

III. Impact on the Nonprofit Sector

Health and human service providers will be under increasing stress due to the escalated demand for their services coupled with a decrease in resources. Such pressures may lead to the failure of some organizations. It has been projected that at least 100,000 nonprofits nationwide will be forced to close their doors in the next two years as a result of the financial crisis. Other organizations may be forced to scale back their programs and decrease the number of people they serve. In addition to service-providing organizations, a range of nonprofit organizations help shape and advocate for effective health services in New York State. For example, these organizations may focus on improving access to care for special populations, providing analysis to guide State or Federal policymaking, raising public awareness of health issues, or working to improve the built environment to support healthier lifestyles. The viability of these organizations is also at risk.

The organizations most likely to succeed are those that can identify and act on the opportunities that are inherent in a crisis. New circumstances demand new ways of doing things. Diminished resources demand that nonprofit leaders rethink their organizational missions, structures, and practices. The turbulent economy creates new incentives for organizations to cooperate. It is expected that nonprofit mergers and acquisitions will become more common, even among organizations that previously resisted them. Other organizations will develop new partnerships to generate efficiencies and share certain administrative costs, such as information technology, accounting, fundraising, human resources, and other operations. Mergers, acquisitions, and partnerships can reduce redundancy in service delivery, fill gaps in services, and increase organizational effectiveness.

IV. NYSHealth Response

In this time of increased need, NYSHealth will dedicate a portion of its funding to assist New York State's nonprofit health sector in responding to the economic crisis. NYSHealth will allocate approximately \$2 million to finance this economic recovery request for proposals. We will make grants that will help sustain vital organizations while facilitating their transition to new and reorganized forms that should be more sustainable over time. We seek to promote fundamental, lasting changes in organizations that comprise New York's health services delivery system.

Projects Eligible for Funding

NYSHealth will consider proposals from existing nonprofit {501(c)(3)} organizations with a significant presence in New York State. Applicant organizations must show that proposed projects further the charitable mission of the New York State Health Foundation.

Priority consideration in the review process will be given to projects that merge and consolidate organizations to create lasting and significant improvements and efficiencies in achieving their missions. Partnerships between multiple organizations that achieve significant efficiencies also are invited.

For projects that could benefit from external resources, proposals may include requests for financial, legal, organizational, and staff development or other types of technical assistance that would help organizations assess their programs, develop strategic plans, and implement mergers, acquisitions, and partnerships.

V. Review Criteria

Project applications will be assessed by a panel comprising reviewers from across the State with a diverse range of expertise. NYSEHealth's review panel will consider the following factors:

- documentation of the adverse impact that the economic crisis is having on the organization;
- clarity of the proposal in making the case that an urgent need exists for NYSEHealth funding;
- description of why the applicant organization(s) should be preserved;
- clear description of how the organization(s), if the project succeeds, will emerge in a new and strengthened form that is sustainable;
- likelihood that the project will significantly and positively impact an organization's efficiency and productivity;
- likelihood that a project will accomplish its goals and have a measurable impact;
- the experience, potential, and readiness of the applicant organization(s) to complete the project successfully; and
- ability of the applicant organization(s) to use a grant to leverage other potential funds.

VI. Budget

Funding requests ranging from \$50,000 to \$400,000 will be considered. Projects will be assessed for the appropriateness of budget to the proposed scope of work and timeline. Funds requested must be commensurate to the work proposed.

VII. Application Process

Applicants are required to submit initial inquiries to NYSEHealth to determine whether their projects fit the criteria of this RFP. Inquiries should not exceed two pages and must use the outline available on our Web site at www.nyshealth.org in the "Funding Opportunities" section.

Please e-mail inquiries to econrecoveryrfp@nyshealth.org by **Tuesday, February, 16, 2010 at 4 p.m.** The NYSEHealth staff will review all inquiries. If it is determined that your project is eligible you will be contacted with instructions on how to submit a full application.

Note: Due to the anticipated competitive nature of this RFP, the online application will not be posted to the NYSEHealth Web site. Only notified organizations will receive instructions on how to submit full proposals.