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Is the state out to get Staten Island's nonprofits?

By TOM WROBLESKI

Is New York government waging war on nonprofits?

Or just looking to pump more money into public coffers?

The city Finance Department said that they had canceled property-tax exemptions for more than 900 nonprofits in the city, including such high-profile borough names as Wagner College, Staten Island University Hospital (SIUH) in Prince's Bay, and the Staten Island Chamber of Commerce.

Finance said the groups did not satisfy the requirements to receive an exemption.

The Finance action comes on the heels of an announcement from Attorney General Eric Schneiderman's office that more than 1,000 nonprofits around the state, including 25 on the Island, could lose their ability to raise money if they didn't submit missing paperwork.

And Gov. Andrew Cuomo been conducting an investigation into how much executives are paid at nonprofits that take state funding. Many of those execs, including some on the Island, make six- and seven-figure salaries.

It has all added up to a chilling environment for nonprofits, which have already taken a hit from the poor economy.

While saying that it's good to ensure that everyone is playing by the same rules, Chamber of Commerce leader Linda Baran said, "Picking on small not-for-profits, those without big budgets, is detrimental."

The Chamber had its $9,393 exemption revoked but is appealing the decision.

"It's money out of our pocket that we didn't plan for," she said. "We have to figure out a way to cut back somewhere else."

Other groups that didn't respond to a city survey still have a chance to apply for an exemption, but in the meantime, they are being billed.

The revoked exemptions total $38 million, money that would now go to the city treasury.

Wagner College is appealing the loss of a $37,716 exemption on one of the eight tracts of land that comprise the Grymes Hill campus, said college spokesman Lee Manchester.

But Manchester said that the college was told in February that that exemption had been renewed, only to get a letter in April that the exemption was revoked. But that second letter, Manchester said, came after the March deadline to challenge the decision.

"We're puzzled," he said. "But we're confident our appeal will be successful."

The lot in question is a vacant, wooded area downhill from the college's Towers and Harbor View dorms.

He said losing the exemption "wouldn't put a dent in what we do," in terms of school operations, but "it's not good. It's not chump change."

A dozen Island nonprofits had their exemptions revoked, Finance said. Another 15 did not respond to the city survey. SIUH did not return a call seeking comment.

"Property owners are required to renew their exemptions ever year," said Finance spokesman Owen Stone. "We grant roughly $2 billion in exemptions to nonprofits every year and we have a responsibility to ensure that these exemptions are going only to organizations that are eligible for them."

Vin Lenza, executive director of the Staten Island NFP Association, which advocates on behalf of borough nonprofits, said, "They're not taking anything away from anybody who deserves it. My impression is that Finance hadn't checked these in a while. They're looking to shake any tree they can for revenue."

Ms. Baran and Manchester agreed.

"It looks like New York City Finance has been told to tighten the screws and bring new revenue into the coffers," Manchester said.

Lenza said that nonprofits don't feel like they are being attacked, but "we feel we are far and away the most transparent industry sector in the city."

He said nonprofit salaries and other financial information is posted online for the public to see, and that most nonprofits undergo yearly audits.

"Of all the industries to take a look at, maybe ours is not the one to focus on," Lenza said.

Cuomo recently released proposed regulations to limit spending for administrative costs and executive compensation at state-funded nonprofit and for-profit service providers.

Cuomo said the new regs "will allow the state government to identify and stop the few providers that pocket taxpayer dollars rather than use them to serve the public."

The regulations block providers from spending more than $199,000 in state funds on executive compensation, and would require that at least 75 percent of a provider's operating expenses paid for with state funds are for program services rather than administrative costs.

The public comment period for the proposed regulations ends in the middle of July.