



TESTIMONY

Presented by

**Donna M. Corrado, PhD
Commissioner**

on

Oversight: Senior Center Model Budgets

before the

**New York City Council
Committee on Aging**

on

**Thursday, June 21, 2018
10:00 A.M.**

at

**Council Chambers, City Hall
New York, NY 10007**

Good morning, Chairperson Chin and members of the Aging Committee. I am Donna Corrado, Commissioner for the New York City Department for the Aging (DFTA). I am joined by Michael Bosnick, Deputy Commissioner for the Division of Planning and Technology. I would like to thank you for this opportunity to provide testimony on the topic of senior center model budgets.

SENIOR CENTER MODEL BUDGET

As I mentioned in recent testimony before this Committee during DFTA's FY '19 Preliminary and Executive Budget hearings, in line with the Administration's broader vision of promoting fairness and equity, the Administration has added \$10 million in new baselined funds for the Senior Center portfolio starting in FY '18 – which will grow to \$20 million by FY '21. This represents a significant investment in the DFTA senior center network. These funds were designated to help create parity in our senior center budgets and provide adequate funding to achieve an expanded array of programming across the senior center system.

DFTA and the Mayor's Office of Management and Budget, with input from our network of providers and other stakeholders, conducted a thorough analysis of the existing line-item budgets and spending patterns across our portfolio of 249 senior centers. As a result, we identified several characteristics that exemplify high-quality programs, highlighting strong leadership and staff, as well as a rich array of health and education programming. We then compared existing budgets to the funding patterns that support the key attributes of high-quality programs, and calculated the need for each center based on where their current budgets compare to the 'model.'

The key objective of the model budget has been to achieve a more equitable distribution of available funds among senior centers, and to ensure every center has the funding they need to deliver high-quality services. The model budget reflects that every center needs adequate funding to provide threshold levels of quality programming, and to pay competitive wages to attract and retain high-quality staff. The network of 249 senior centers was divided into five groups based on Average Daily Participants, in recognition of the fact that there are certain costs that vary based on the size of a center, such as the need for modestly more staff to run a very large center compared to a very small one. At the same time, the model accounts for certain fixed costs for running a center, irrespective of Average Daily Participants. The resulting amounts given to each center

were divided between an amount for 'program staff' and another for 'programming,' based on each center's areas of need. However, funding remained flexible across line items, within certain parameters; thus, allowing centers to identify their most critical needs and submit proposals accordingly.

In March, 223 senior centers were notified of the amounts they will receive for both FY '18 and FY '19. All of the centers receiving this funding have submitted their proposals for use of the funds, and the contract amendment process is well underway. Depending on individual urgent needs, a number of centers proposed to allocate a portion of their model budget funds for a purpose outside of the prescribed model. DFTA assessed each of these requests on an individual basis to ensure providers had flexibility while still meeting the ultimate objectives of the model. Centers were also permitted to propose one-time needs for the FY '18 allocation.

This was a thoroughgoing, year-long process in which many of our external partners played an important role. Ultimately, we believe our mutual goal of equity was met, and that the model budget funding will enhance the quality of our senior center programming. We are confident in the soundness of our formula and processes, and intend to implement a similar methodology for future rightsizing efforts. For instance, as you know, the model does not address food costs. We are currently in the process of working on an evaluation of food services across programs. This work is being done with the help of a consultant, and we anticipate the analysis will be completed later this year. Our goal for the second phase of the model is to evaluate how to achieve efficiencies in food procurement, preparation and delivery, while increasing quality and choice.

CONCLUSION

Thank you again for this opportunity to provide testimony on senior center model budgets. My colleagues and I are pleased to answer any questions you may have.



**Testimony of
Chris Widelo, AARP New York**

**New York City Council
Committee on Aging**

**Senior Center Model Budgets
June 21, 2018**

**City Hall
New York, New York**

Contact: Chris Widelo (212) 407-3737 | cwidelo@aarp.org

Good Morning Chairwoman Chin and members of the Aging Committee, my name is Chris Widelo and I am the Associate State Director for AARP New York. On behalf of our 800,000 members age 50 and older in New York City, I want to thank you for the opportunity to talk about the model budget process for DFTA senior centers.

New York City's population is aging. Nearly one-third of residents in the five boroughs are over the age of 50 and that group is expected to grow by nearly 20 percent between 2010 and 2040. The growth for the 65-plus age group is projected to be even more dramatic, with a whopping 40% increase in the same time period.

And, our city is not just aging, we are becoming more diverse. African Americans, Blacks, Hispanics, Latinos, Asian Americans and Pacific Islanders account for 62 percent of New York City residents 50-plus. And, half of all New York City residents over 65 were born in a foreign country.

We know from our recent report, *Disrupting Racial and Ethnic Disparities: Solutions for New Yorkers Age 50+*, developed in partnership with New York Urban League, NAACP, Hispanic Federation and Asian American Federation, that people of color over the age of 50 experience stark disparities in the areas of health, economic security, and the ability to live and remain in their communities.

All this means we must make meeting the needs of older New Yorkers a bigger priority. We are grateful for the increases in funding, particularly baselined funding, made to the DFTA budget in FY18, but there is still work to be done. DFTA's budget is less than a half of a percent of the total city budget yet older adults are the fastest growing demographic in the city.

Meeting the needs of aging residents and helping them to stay in their neighborhoods is critical to retaining their tremendous economic, social, cultural

and family contributions. And, it is also the right thing to do. Senior centers are an important model of how older NYers can access services, opportunities to exercise, and nutritious meals, while combating isolation that is so common, yet detrimental, as we age. They are one tool to help people successfully age in their communities.

Model Senior Center Budget

AARP appreciates the effort by DFTA, OMB and the Administration to create a model budget for NYC senior centers. As proposed, the city allocated \$10 million baselined in FY18 for senior center direct staffing and programming, and has promised an additional \$10 million by 2021. While this is a positive first step, we need to be mindful of the other costs that were not included in the model budget process such as meals, rent, OTPS, and other related costs.

AARP is asking that the City Council expedites the timeline for the 3-year model budget rollout and move up the date for the additional \$10 million in funding to FY20. In addition, we must make sure that our senior centers are adequately funded beyond personnel and programs so that our providers are fully reimbursed for the services they provide.

Furthermore, AARP is concerned that we are days away from the end of FY18 and the \$10 million allocated in that budget is not yet out the door and available for senior centers. We must come up with a more streamlined process to ensure this doesn't happen again in the future. AARP would happily advocate for additional DFTA staffing if that would help alleviate any capacity issues.

CONCLUSION

Chairwoman Chin and members of the Aging Committee, thank you for the opportunity to testify on the senior center model budget process. We strongly urge the Mayor and the City Council to continue their commitment to older NYC residents.



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New York City Council FY2019 Oversight Hearing: *Senior Center Model Budgets*

New York City Council Committee on Aging

Honorable Margaret Chin, Chair

Testimony of United Neighborhood Houses

Presented by Kevin Douglas, Co-Director of Policy & Advocacy

June 21st, 2018

United Neighborhood Houses of New York (UNH) is the association of New York City's 39 settlement houses and community centers that collectively benefit over 750,000 New Yorkers annually – from pre-natal care through older adult services – with programs at over 650 sites throughout the city. Our network's older adult service alone reach 70,000 individuals each year, via programs including senior centers, Naturally Occurring Retirement Communities (NORCs), home delivered meals, case management, social adult day care, caregiver supports, friendly visiting, behavioral health, transportation, and homecare.

We appreciate that in the FY2018 budget the Administration baselined a number of investments in older adult services, including \$10m to be used by the Department for the Aging (DFTA) to engage in a "model budget" process for its portfolio of senior centers. After many years of DFTA's programs being under-supported by City administrations, these investments represented a meaningful commitment to strengthening our system for providing services to older adults. We thank Chair Chin and Commissioner Corrado for making last year truly the "Year of the Senior" with these investments. However, while direct service providers contracting with DFTA to operate senior centers are appreciative of the modest contract enhancements they are slated to receive, there were and remain several challenges with the successful implementation of the senior center model budget. This testimony will explore the primary challenges, including an overall lack of funding, limited transparency and provider engagement, and insufficient flexibility and a piecemeal approach. In addition, this testimony highlights underlying issues with New York City's human services contracting processes at large that also impact on DFTA's senior centers.

Underfunded Process

The term "senior center model budget" implies a budget informed by an understanding and consideration of all of the elements that make up a senior center, as well as reasonable, if not favorable, resources devoted to each. With a contracted system of nearly 250 senior centers, it was evident that the City's allocation of just \$10m to address all aspects of senior center budgets would be insufficient. Again, while this baselined funding was a necessary first step toward addressing contracting deficiencies, it did not allow DFTA the flexibility to truly address all aspects of senior

center operations. The City has committed a further \$10m investment for the senior center model budget process by FY2021, but it is unclear why these additional dollars, so clearly needed now, will potentially not be released for another two years (July 2020). UNH had urged the Administration to include the additional \$10m in the senior center budget baseline for FY2019, but it was ultimately not included in the Adopted Budget. UNH continues to urge the Administration to make these funds available as soon as possible, as well to address transparency and flexibility issues to ensure the investment is put to the best possible use.

Lack of Transparency, Limited Provider Engagement

For much of FY2018, providers and the associations like UNH that represent them, remained in the dark about DFTA's plans for the creation of the senior center model budget- from their overall approach and philosophy, to their planned mechanisms for input, to their anticipated timeline for action. In fact, it was not until April of this year—10 months into the fiscal year—before DFTA formally communicated to providers how much funding they were eligible for and how they could apply the funds to their budgets. This compares unfavorably to the process undertaken by the Administration for Children Services (ACS). For ACS's preventive services model budget process, roughly 10 focus groups were convened with contracted providers over the course of the year, as well as series of meetings with advocates and policy organizations to receive feedback and modify their plans.

When DFTA finally did release the guidelines for model budget contract amendments, it was not clear—and remains unclear, why each provider received the amount of funding they did. While in recent months DFTA has described a process whereby providers were grouped into five categories based on average daily participation, with each category of providers assigned target staffing and programming levels, those levels (or rationale) have never been made publicly available. This lack of transparency with their contracted providers and representative groups led to additional problems in the process, including deep dissatisfaction with how DFTA chose to target model budget funds with limited flexibility for providers.

Insufficiency Flexibility, Piecemeal Approach

As part of the model budget process DFTA determined that the elements of senior center contracts eligible to receive additional funding would be limited to programming and personnel. This excluded many key senior center expenses, including the cost of purchasing, preparing, and serving congregate meals, occupancy costs, and OTPS budget lines. Further, within the category of personnel, DFTA specifically excluded kitchen staff essential to the preparation and serving of meals to senior center participants. Many providers expressed significant dissatisfaction with the exclusion of these costs, and most notably, the exclusion of kitchen staff from consideration.

It was only after a meeting of advocates with OMB that the City clarified that kitchen staff *could* be included in model budget contract amendments, but this news came after over half of senior center providers had already submitted their proposed model budget funding to DFTA. In addition, the

accompanying language announcing the policy change suggested the bar for securing approval for kitchen staff would be so high that it would perhaps not worth pursuing.

Here is DFTA's clarifying language offered on June 8th:

The model budget includes funding for direct staff and programming. Other items outside of these categories, such as food and food related staff, were not included in the model budget. That said, we understand that flexibility is important to providers, and as such, DFTA is accepting and evaluating requests from providers to use their model budget funding for items outside of the designated categories. In these cases, DFTA is expecting that the provider submit a compelling case for why they are making the request. From our perspective, this means there's a specific circumstance in which the request makes sense and is justifiable. Generally, an across-the-board salary increase for food staff is not considered a compelling reason to repurpose model budget funds. In contrast, an example of a compelling case might be a provider who is funded for a certain number of food staff but whose program has significantly grown so more food staff are necessary. Another example might be a provider who has done a significant shift in the way their food service operates, resulting in a need for changes to their staffing structure.

Essentially DFTA stated that rectifying existing kitchen staff salary deficiencies or remedying understaffed food programs would not be an eligible use of model budget personnel dollars (and would in fact represent a "repurposing,"), with only new/expanded programming elements eligible for consideration. To this point OMB stated the purpose of the senior center model budget was not to address staff salaries, and that those were being addressed through the City's human services COLAs (2% per year for three years—FY2018, FY2019, FY2020). It is unknown to us at this point whether any senior center provider has been able to take advantage of the new/clarified kitchen staff allowance.

The exclusion of food costs from the model budget process was similarly frustrating for providers, particularly since the City has publicly acknowledged on several occasions that the system (both for home delivered and congregate meals) is significantly underfunded and does not reimburse providers the true cost of preparing and serving meals. The City's explanation for this decision is that the congregate meal element of senior centers would be addressed through a separate process at a later date (presumably at the same time as the redesign of the senior center system, contracts for which will not take effect until July of 2021—over three years from now).

In short, the City's laudable decision to conduct a senior center model budget process was undermined by discounting so many elements of a senior center budget and deciding they would be addressed separately (if at all) at some indeterminate date in the future. As a result, what emerged through the process was not a *model budget* for senior centers, but instead targeted contract

enhancements for senior centers. These enhancements were certainly welcomed and appreciated by providers, but collectively fell far short of what the phrase “model budget” suggests.

Overall Human Services Contracting Issues

While it is clear that the senior center model budget process both represented an important first step and also included significant flaws, the bigger-picture context should not be lost: that the City’s overall framework for human services contracting contains major deficiencies that impacted on DFTA’s ability to create a model budget. These deficiencies are centered around funding (inadequate indirect, fringe, occupancy, and insurance dollars/rates), and process (delays in contract registration leading to cash flow challenges).

As part of the Human Services Strategy Advancement Group (HSASG), UNH recognized and appreciated the historic work of the City Council and Administration in the FY2018 budget to begin to address these issues with the establishment of model budget processes in several City agencies, a commitment to bring indirect rates on contracts to 10% by FY2022, and a 2% COLA per year from FY2018 to FY2020. However, we also understood that these commitments only represented the first step of a necessary course correction in the City’s practices for contracting with nonprofit providers to deliver critical human services. For FY2019 we encouraged the City to build on the work of FY2018 by investing a further \$200m to increase the allowable indirect and fringe rates on contracts to 15% and 37%, respectively, which track closer to the true costs incurred by providers. In addition, the investment would have allowed for a 10% increase in both occupancy costs and insurance (casualty + liability) costs. Unfortunately, the FY2019 budget did not contain any of these additional commitments or funding.

In summary, while UNH applauds the Administration for its significant investments in human services contracts and for committing to model budget processes across several City agencies, the total value of investment in the DFTA senior center model budget process did not allow for the vision of a model budget to truly be realized. Even so, had DFTA worked more closely with providers to understand where their greatest needs were and how to maximize the available funding, the overall shortfall in terms of dollar investment would have been mitigated to a degree. Moving forward, UNH strongly encourages the Administration to fast-track the additional \$10m in model budget funding and for DFTA to work more collaboratively with providers to establish a plan to flexibility enhance senior center budgets. Finally, UNH also urges the City to ensure DFTA has the staffing capacity to manage on a timely basis, the significant volume of work associated with hundreds of contract amendments.

Thank you for the opportunity to testify and I would be happy to take any questions now or via email (kdouglas@unhny.org).

TESTIMONY
New York City Council
Hearing on the DFTA Model Budget Process
Thursday, June 21, 2018

Submitted by
Michelle Jackson
Deputy Director & General Counsel
Human Services Council of New York

Introduction

Thank you Council Member Chin and the Committee on Aging for holding this hearing on the model budget process implemented by the New York City Department for the Aging (DFTA). My name is Michelle Jackson and I am the Deputy Director and General Counsel for the Human Services Council of New York (HSC). The model budget process is an important effort to “right-size” human services contracts, with the potential to strengthen the nonprofit organizations that support aging New Yorkers. Unfortunately, there have been challenges in DFTA’s implementation of this process, and my colleagues and I would like to highlight some of those challenges today.

About the Human Services Council of New York

HSC is a membership association representing New York’s leading nonprofit human services organizations, including direct service providers and umbrella and advocacy groups. HSC strengthens New York’s nonprofit human services sector, ensuring all New Yorkers, across diverse neighborhoods, cultures, and generations reach their full potential. Our members provide essential supports to a broad spectrum of New Yorkers, including children, the elderly, the homeless, people with disabilities, individuals who are incarcerated or otherwise involved in the justice system, immigrants, and individuals coping with substance abuse and other mental health and behavioral challenges. We serve our membership as a convener, a coordinating body, and an advocate. We are also an intermediary between the human services sector and government, fostering cross-sector collaboration. We help our members better serve their clients by addressing matters such as government procurement practices, disaster preparedness and recovery, government funding, and public policies that impact the sector.

State of the Human Services Sector

The nonprofit human service sector continues to play an essential role in the daily lives of millions of New Yorkers. These vital community services, ranging from homeless services, senior care, to employment training, assist approximately 2.5 million New Yorkers annually. Unfortunately, our sector has been historically underfunded, leaving many providers in dire financial situations. In fact, a recent report by SeaChange Partners found that 30 percent of human services community-based organizations (CBO) have cash reserves that cover less than one month of operating expenses. Additionally, more than 40 percent of human services CBOs lack liquidity to meet their short-term financial obligations. As leaders of the human services sector, we are witnesses to the continuing financial challenges facing providers each day.

New York is not alone in failing to fund essential services and organizations, but has an opportunity to lead an important change movement that will have lasting impact on the health and wellness of our communities.

- Nationally, on average, government contracts currently cover only about 70 percent of nonprofits' direct program expenses and less than half of all indirect expenses.
- Nearly one in eight human service nonprofits are technically insolvent, meaning that their liabilities exceed their assets.
- Three in 10 nonprofits have cash reserves that cover less than one month of expenses.
- Nearly half have a negative operating margin over a three-year period.¹

Most striking is that the U.S. spends three times more than other developed nations on health care, while spending significantly less than other countries on human services. Research shows that countries with “higher ratios of social to health care spending had better health outcomes one and two years later.”² Countries that spend on human services are addressing the social determinants of health – housing, nutrition, education – so they in turn are spending less on emergency health services as well as the myriad of health issues created when people lack access to crucial support services. New York can be a leader nationally by spending appropriately on human services, improving wellbeing in our communities and driving down health care costs. To do so, we must also support the organizations essential in addressing the social determinants of health.

Investing in Wellbeing

Last year saw an important investment in human services provider organizations that hold City contracts. With your help, we secured \$300m of our \$500m ask to help nonprofit provider organizations cover the cost of delivering essential services to New Yorkers: 1) Funding in distinct areas for model budget processes aimed at better aligning costs. Areas receiving investment included preventive services (ACS), senior centers (DFTA), services for runaway and homeless youth (DYCD), homeless shelters (DSS-DHS), and adult protective services (DSS-HRA); 2) Cost-of-living adjustments for the human services workforce at a rate of two percent per year for the next three years, which is vital so that providers can recruit and retain qualified staff; and 3) New funding to bring indirect cost reimbursement rates to 10%, which allows providers to pay for crucial expenses including rent, maintenance, and technology.

Each human services contract is underfunded, but what areas are underfunded and where investments need to be made differs for each program and even each contract. Therefore, we were excited about the potential of the model budget process as a way to examine contracts holistically and right-size funding for both program and operational expenses.

This initiative held the promise of compensating for years of rising costs and stagnant investment; unfortunately there have been issues with involving providers in the process, providing clear guidance, and in creating uniformity across model budgets. Providers report that the ACS model budget was very collaborative and identified key areas for investment, and that the process and decision-making on funding were transparent and effective. Due to issues with the other model budgets, we as a sector did not seek more funding for this process because it was complex and did not truly create a method to right-size contracts.

DFTA Model Budget

Poor process & lack of transparency

DFTA has not provided a clear rationale regarding its funding “formula.” It is unclear to providers why some centers received funding increases and others did not, or why the allowable budget increases were in some categories and not others. Further, DFTA did not provide any information about FY19 budget amendments until April of 2018—essentially three quarters into the fiscal year for which the money had to be spent. The majority of centers have not received amendments yet for

the model budget funding. This is in addition to the outstanding amendments in other contracts outside the model budget process.

Insufficient funding

DFTA has committed only \$10 million to the project, which is not enough to fully correct funding deficiencies at its 249 senior centers. It has promised a further \$10 million by FY 2021, but has provided a timeline of when that funding will be allocated.

Flawed budgeting

DFTA identified five major categories of senior center expenditures and then dismissed three of them as ineligible to be corrected through this process: food costs, occupancy costs, and OTPS. Many providers felt that these costs were as important to address as the "program" and "personnel" lines that DFTA focused on. Even within the "personnel" line providers were frustrated by DFTA's refusal to include kitchen staff. Since model budget funding cannot be used on kitchen staff, it creates salary parity concerns among agencies and there is no funding proposed in the exec budget for meals or meal staff for FY19.

Exclusion of Centers

Some sites received no funding through the model budget process because they are deemed at or above the model budget amount, and the model budget process does not in any way include 38 additional sites, including formerly discretionary sites that are now baselined and in the DFTA portfolio, that are subject to the same requirements and standards as those that received funding and are thus at a disadvantage for the next RFP.

Next Steps

The Council and Administration have made important investments in the sector in FY18, as well as expanded program investments, while also tackling systems issues through the Nonprofit Resiliency Committee. This work is applauded by the sector, but when nonprofits see new requests for proposals with low rates and experience significant delays in contract registration and renewal, and are still waiting on contract amendments for FY18 funding, it is clear that more must be done, and it must be done immediately.

In regards to current funding allocations, providers have experienced lags in getting contract amendments for the investments made in FY18, and as we near the end of the year this is creating cash flow issues as well as making it difficult for providers to finalize their budgets for the new fiscal year starting July 1, 2018. We urge the Administration to release an immediate accounting of disbursements of the \$300 million for model budgets, COLA, and indirect that remains unspent in Fiscal Year 2018.

As noted in the Comptroller's recent report, human services contracts experience significant delays, upwards of 100% of contracts are registered late in some agencies. This creates administrative nightmares for providers, real cash flow issues, and can cost organizations money if they have to take out a line of credit to cover late payments by the City agency. This needs immediate attention and we suggest a SWAT team be deployed to City agencies to break up the vicious cycle of delays and clean up the backlog, both in registration and pending amendments for FY18 investments. In the longer term, there needs to be a tracking system, centralized at MOCS, to better track registration, City agencies should have to give regular updates to the Deputy Mayors about contract

registration, and MOCS should be given the authority to make process changes at City agencies to streamline the process.

The Council response supported our FY19 budget asks that were unfortunately not included in the final budget. In particular, we called for increased funding in the areas of indirect expenses, fringe benefits, insurance, and occupancy costs—areas that are critical to the fiscal, administrative, and operational integrity of the sector. The City must do more to right-size human services contracts moving forward by including cost escalator clauses to account for rising costs - particularly in occupancy and insurance costs, reimbursing indirect costs at appropriate rates so that providers can adequately perform key administrative functions, and reversing the trend of low, stagnant salaries for the workforce by allowing a 37 percent fringe rate along with regular cost-of-living increases. Going forward, we would like to work with the Council and Administration to ensure key investments must be made on human services contracts as a whole so that providers can deliver quality services to our communities.

Conclusion

Providers play the essential role in the City's complex human services delivery system, and they face many challenges in the contracting process. They operate in the context of a broken contracting system. Only if we address the underlying causes of contractor instability—problems at the government level—will we be able to ensure a robust nonprofit community that can continue to deliver quality services to our community.

Human Services Advancement Strategy Group

We have created the Human Services Advancement Strategy Group (HSASG), a group of nine membership organizations representing 2000 human service provider organizations across the City to secure the programmatic, financial and operational resources needed to fully cover costs and meet the contractual obligations of provider organizations holding City HHS contracts.

¹ *A National Imperative: Joining Forces to Strengthen Human Services in America*

<http://www.alliance1.org/web/resources/pubs/national-imperative-joining-forces-strengthen-human-services-america.aspx>

² *Id.*

Testimony of Stanley M. Isaacs Neighborhood Center

New York City Council Hearing on Senior Center Model Budget – Department for the Aging

June 21, 2018

I would like to thank the City Council and Aging Committee Chair Chin for the opportunity to provide testimony today on the Model Budget process and the needs of Senior Center programs in New York City. My name is Aaron Rooney, I am the Clinical Director at Stanley Isaacs Neighborhood Center overseeing case management and clinical services.

I would like to thank the Council and DFTA for the \$10 million investment in the model budget process baselined in FY18, a promising first step in bringing these vital programs up to date with adequate funding. The additional funding allocated to our Center will assist us to partially fund additional social work staff. Our Center sees over 700 clients per year for Case Assistance and Case Management services and it is crucial that we build towards a staffing pattern that can meet the complex needs our of our members.

However, there remain items that the model budget process did not address, and areas in which there remains open questions. First, it is concerning that **food costs were excluded from the model budget process**. Providing nutritious meals is at the core of the services provided by Senior Centers to keep Older Adults healthy and safely in their communities. The model budget does not address the increased costs for food. It also does not include additional costs it would take to provide *therapeutic meals* catered to an individual's medical needs, which is where we should be headed as Aging Service providers. To our knowledge, there remains no timeline for when food costs will be looked at and addressed.

It has also been noted that **the model budget does not address staff wage increases**, due to COLA increases last year. However, the ability to increase wages has a direct impact on the quality of services we can provide, and the amount of time good staff can remain at our agencies. The COLA increases alone are not going to be enough to address this problem in the future, as the City continues to age rapidly and the need for quality services will only increase.

In addition, it has been difficult to ascertain where each Center stands in the model budget negotiation process. It is known that many of the negotiations are complete, many more are not. With the end of the fiscal year rapidly approaching, **more transparency in this process would be beneficial to all parties**.

The model budget has been instrumental in helping Senior Centers catch up to where they should be in 2018. But it has thus far fallen short of preparing Senior Centers for the future. As we grow older together, additional thought and investment into Senior Centers will be essential to assure these vital institutions can meet the unique, changing, and growing needs of Older Adults in New York City.



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**Testimony from Selfhelp Community Services
New York City Council
FY19 Senior Center Model Budget Public Testimony
June 21, 2018**

My name is Katie Foley and I am the Director of Public Affairs at Selfhelp Community Services.

Thank you to Aging Committee Chair Margaret Chin and the members of the committee for the opportunity to testify today on the Model Budget process for senior centers.

Selfhelp was founded in 1936 to help those fleeing Nazi Germany maintain their independence and dignity as they struggled to forge new lives in America. Today, Selfhelp has grown into one of the largest and most respected not-for-profit human service agencies in the New York metropolitan area, with 26 sites throughout Manhattan, Brooklyn, Queens, the Bronx, and Nassau County. We provides a broad set of services to more than 20,000 elderly, frail, and vulnerable New Yorkers each year, while remaining the largest provider of comprehensive services to Holocaust survivors in North America. Selfhelp offers a complete network of community-based home care, social service, and senior housing programs with the overarching goal of helping clients to live with dignity and independence and avoid institutional care.

Our services are extensive and include: specialized programs for Holocaust Survivors; ten affordable senior housing complexes; four Naturally Occurring Retirement Community (NORC) programs; three intensive case management programs; five senior centers including one of New York City's first Innovative Senior Centers; home health care; client centered technology programs including the Virtual Senior Center; court-appointed guardianship; the Selfhelp Alzheimer's Resource Program (SHARP); and New York Connects, which provides seniors and people with disabilities with the information and support they need to remain living independently in their own homes.

Thank you for the opportunity to testify about the City's model budget process for DFTA contracted senior centers. Four of Selfhelp's five senior centers were included in this process and our remarks will focused on our experiences with those four contracts.

Model Budget

We commend the Department for the Aging (DFTA), Office of Management and Budget, and the City Council for the ongoing commitment to senior centers since the beginning of the model budget process. This significant funding for the City's senior centers has been, and will continue to be, a critical step



Claims Conference ועידת התביעות
The Conference on Jewish Material Claims Against Germany

towards stabilizing one of the core programs that supports older New Yorkers, including many immigrant seniors.

Overall, our experience with the model budget process has been positive. The additional funding allowed for numerous upgrades to Selfhelp's senior centers. First, the investment enabled us to raise salaries for program staff, which was much needed and much appreciated. The investment in the model budget for staff helps address ongoing concerns related to salary parity that has been a concern for Selfhelp and many other providers and advocates since the case management salaries were raised. We have now seen the impact of increased salaries in the aging network, and are grateful for this important step. Second, the additional funding allows us to expand programming options. Third, the flexibility provided in FY18 budget offered the opportunity to upgrade the centers through one-time purchases, such as repairing the entryway at one center and purchasing computers, and large kitchen equipment for others. We are finding that some spending, especially related to building repairs, is difficult to achieve in the short timeframe since we received the funds. We are optimistic that DFTA's flexibility will extend to allowing some of the projects approved for FY18 to be completed within FY19. Our relationship with DFTA is stronger because of our work together in implementing the model budget process, and we would like to thank them for a collaborative relationship.

In addition to the successes of the model budget process, we want to share some of the challenges we've faced with the Council. We remain concerned that other costs beyond programming and related salaries were not included in the model budget process, in particular for food and kitchen staff, both of which are significant costs for senior centers. We hope that the allocations in the subsequent years will focus on food, rent, OTPS, and other associated costs. Selfhelp supports the request for \$12.1 million for congregate and home delivered meals to be baselined to increase the reimbursement rates. We also appreciate the \$2.8 million in onetime funding for home delivered meals and hope to see continued investment in food and meals. This funding is particularly important to increase the reimbursement rate for culturally-competent meals, such as kosher or halal, both of which currently result in a deficit to nonprofits upon each meal provided, despite cultural competency being a requirement of DFTA. Given our interactions to date, we believe that DFTA will continue to engage with providers on necessary budget modifications considering the dynamic needs of each center.

Selfhelp is requesting that the remaining \$10 million that has been committed to this process be allocated by FY20, instead of FY21. Expediting the \$10 million in funding by FY20 as opposed to the proposed 3-year rollout will have a very positive impact on the operations of our programs. Allocating these funds is especially important with the projected next RFP for senior centers to be released in calendar year 2020.

Conclusion

Thank you for the opportunity to testify today. On behalf of the 20,000 clients we serve, I am grateful for the Council's support on so many important programs.



Claims Conference ועידת התביעות
The Conference on Jewish Material Claims Against Germany



FOR THE RECORD

2095 Broadway, Suite 409, New York, NY 10023 · Phone: 212-874-6633 · www.pssusa.org

NYC City Council Testimony – June 21, 2018

Established in 1962, PSS is a multiservice nonprofit that has built the capacity of older adults, their families and communities to thrive. PSS operates 9 senior centers, 2 senior residences (including the Grandparent Family Apartments), the Circle of Care program helping families care for someone with dementia or advanced age.

PSS has had the pleasure of enjoying a long and productive relationship with DFTA for many years. We at PSS are extremely grateful the NYC Council, DFTA and other funding sources for the new model budgets which have allowed our programs to more competitively and fairly pay staff and hire professionals for additional essential roles at PSS centers. This funding is key to our preventing isolation and improving the health and wellbeing of older adults. For example, additional funding and support has been key to our adding many new and exciting arts programs at the majority of our centers through the Su Casa initiative. The model center funding will enable PSS to create new positions - including 3 social workers who will provide case assistance, information and referral, support groups and evidence based workshops. The 4th position is a program coordinator who will not only assist all 9 centers in providing robust and innovative programming but will also work to assure improved consistency and quality assurance.

Needs/issues:

While we are grateful for the additional funding and support, more is still needed. PSS operates 9 senior centers throughout the Bronx and upper Manhattan. Out of the 9 centers, only 7 received funding since 2 of our centers are classified as “social clubs” – despite the fact that there is little to no difference in the services being offered and no difference who receives these services.

Another major need is funding to also pay kitchen and custodial staff. Over the years cost of living and minimum wages have increased but our budgets have not kept up. Additional funds are needed to assure that the inequities between professional/administrative staff and key support staff (kitchen staff, custodial, etc.) is growing further apart and adding to the divide we already see with regards to professional vs paraprofessional staff. The cost of food also rises each year which forces the already underpaid staff to work harder because we cannot afford to hire additional help and to work with less and less but continue to try to compete with other centers and now adult day programs throughout the city.

As you already know, every neighborhood and community in NYC is different – demographically, culturally, dynamically, etc. – and so are the centers. What works well at one center might not at another. Therefore, agencies could benefit from greater flexibility as to how best allocate funds for each particular center in order to maximize limited resources.

Almost 1 in 5 New York City residents is 60 or older – yet the portion of the city budget earmarked for older adults is less than 0.5 %. Imagine how much more agencies like PSS could accomplish if the funding was just 1%. We are asking that the city speedily address increased and broader funding for other integral parts of senior centers (i.e. kitchens and facilities) as well allow centers the flexibility to determine how funding might be best used at each center.

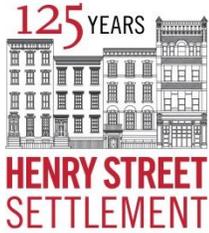
Again, we are grateful to the NYC Council and DFTA for providing the model budget to address funding inequities and to improve our capacity to effectively serve the community. We also offer our support and willingness to assist in any way that we can as we work together to help older adults remain healthy, engaged and connected.

For more information, contact:

Rimas Jasin, Executive Director
212-874-6633 ext 23 or rjasin@pssusa.org
Visit www.pssusa.org for more information



PRESBYTERIAN SENIOR SERVICES



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**Testimony of Henry Street Settlement (HSS)
City Council Hearing on NYC DFTA Senior Center Model Budget
Written Testimony Submitted by:
Janet Fischer, LCSW
Chief Administrator of Senior Services at Henry Street Settlement
June 11, 2018**

Thank you, Chairperson Chin and members of the New York City Council Committee on Aging for being proactive in finding new and innovative ways to serve our city's aging population. My name is Janet Fischer and I am the Chief Administrator of Senior Services at Henry Street Settlement. On behalf of our comprehensive Senior Services programs, I am pleased to provide testimony in support of increased funding to address the myriad needs of the thousands of older adults we serve each year. I do so in partnership and solidarity with the nonprofit organizations providing vital senior services across the five boroughs.

As you know, New York City is home to more than 1.5 million adults over the age of sixty. While we are fortunate that our family members and loved ones are living longer lives, it's imperative that older adults have access to a quality of life that affords dignity and appreciation for the decades of contributions they've made to our communities. Senior centers and home-delivery meal programs have been critical in providing nutrition, health, wellness, and socialization programs, especially to low-income and disabled seniors who otherwise would not have access to essential services. The City has been responsive to the needs of organizations serving our seniors; however new challenges continue to emerge, and we ask for your partnership once again.

As a settlement house, Henry Street has a 125-year history of responding to the needs of our community through programs that are place-based, participant-inclusive, and designed to meet the full spectrum of human needs, all while evolving to effectively serve changing community priorities. Henry Street's Senior Services division is comprised of the Henry Street Settlement Senior Center (formerly Good Companions Senior Center); NORC-Vladeck Cares, our Naturally Occurring Retirement Community; our Meals-on-Wheels program; and the Senior Companions Program. Combined, these programs successfully serve over 3,000 seniors who span a broad range of ages (early 60's to 100+), speak a variety of languages (Spanish, multiple dialects of Chinese, Russian, and English), and have a broad range of abilities and mobility. At Henry Street, we are committed to providing our senior clients with the resources and support that will enable them to live in their own homes safely and with dignity. We work hard to ensure that our programs remain inclusive, culturally-competent, and stigma-free. Our six-day weekly congregate meal programs provide lunch and dinner Monday through Friday, a light breakfast and mid-day dinner each Sunday, and a take-home dinner to be enjoyed on Saturday. We continue to experience an increased demand for our congregate meals offerings at the center. Over the past year alone we served nearly 47,000 congregate meals. Additionally, Henry Street Settlement provides approximately 470,000 meals to homebound seniors through Meals on Wheels. It is important that we provide the greatest number of choices possible to reflect their ethnic and religious diversity, as well as their special dietary needs. We offer two home-delivered meals on Thursdays and Fridays, giving seniors access to quality meals seven days a week. On long holiday weekends we also provide "Holiday Boxes" that contain a three-day supply of non-perishable food. For seniors considered to be at an increased nutritional risk due to limited financial means and a lack of formal home health aide services, we offer an additional dinner.

We thank City Council for acknowledging that senior centers require additional funding to meet the needs of such a large, growing, and increasingly diverse older adult population. There is something wrong when the Department for

the Aging annual budget is just half of 1% of the NYC annual budget. We are deeply grateful that we have advocates in the City Council who made it a priority to baseline \$10 million in “Model Senior Center” funding in Fiscal Year 2018. These resources have allowed organizations such as Henry Street Settlement to add valuable programs such as: evidence-based health and fitness instruction, arts and cultural enrichment, and computer classes. This first \$10 million was targeted by the City to Senior Center programming; however we also have a growing need for a robust case assistance program, as our lone bilingual Social Worker cannot meet the current multi-lingual demand for services. For this reason, we request that the second \$10 million in Model Senior Center funding be moved up to the Fiscal Year 2019 NYC budget.

Despite our successes, our organization struggles to keep up with growing demand. As more seniors participate in our programs, our staffing must continue to grow. We at Henry Street Settlement believe that anyone who is willing to work should be entitled to a living wage, yet we struggle to offer salaries just above the minimum wage. Furthermore, the cost of food continues to rise, yet we remain dedicated to providing healthy and nutritious meals. New York City is one of the more expensive places to live and work in the country, yet senior meals are funded at 20% below the national average. Contract agencies should not have to fund service-related expenses out of their own pockets. Kitchen and delivery staff salaries, as well as rising food costs, were not addressed in the Model Senior Center process. We request that funds be added to provide a living wage for congregate and home-delivered meals line workers, and to cover the increasing cost of food. Moreover, we ask that the contributions senior center members make to their programs be removed from NYC DFTA budgets and those budgets be made whole. There is currently discussion to pull contributions from meals contracts to provide a “free lunch,” but this would mean the federal mandate would not be met and a gap between budgeted income and expenses would be created that would lead to cuts in staffing and services. NYC contracts should cover the full expense of the cost of their services and participant contributions should only be used to enhance the services and activities provided for those participants. Furthermore, Henry Street’s Naturally Occurring Retirement Community (NORC), Vladeck Cares, which directly serves hundreds of older adults each year through a range of multi-lingual case management, social work, and health management services, is in critical need of increased funding for nursing services. NORC programs are mandated to provide nursing to seniors, yet there remains little funding to support these vitally important health care services that are so needed by many of our clients. With drastically reduced in-kind nursing hours available to our vulnerable older adult clients from health organizations, we fear that many health problems and issues will continue to go unaddressed.

As New York City looks to finalize its Fiscal Year 2019 budget, we respectfully request an additional \$10 million to be included in the administration’s budget, rather than waiting three years for Fiscal Year 2021. The funds are needed now, to help organizations, including Henry Street, to enhance our ability to offer the best possible programs and services for the diverse, and growing, group of older adults in our communities. We also request that there be a greater transparency around the model budget process, and that the model budget address excluded categories such as food costs and staffing, OTPS, etc. Indeed, we urge for greater flexibility in model budget dollars, particularly with regards to kitchen staff and food-related costs, so that our program expenses can be fully covered. In the coming year, Henry Street is hoping to build on our meals program; to increase our capacity to offer multi-lingual nursing, case management, health and wellness programs, and social activities; and to provide more community trips for older adults, all while offering competitive salaries to those who dedicate themselves to providing these services. We also ask that City Council initiatives serving seniors (including NORCs, the Geriatric Mental Health Initiative, Healthy Aging, and Support our Seniors) remain intact or enhanced and are not subjected to cuts. Support our Seniors, in particular, provides essential additional City funds to our senior center’s DFTA contract, allowing us to provide activities and services that would not be possible otherwise.

Thank you, once again, for providing an opportunity for organizations to both share our successes with you and voice our concerns about the funding challenges that make it difficult to improve the programs and services we offer for our growing aging population. Older adults across the City rely on these programs to remain healthy, active, stably housed, and engaged with their community; without them, their options for receiving appropriate care would be greatly diminished. Henry Street Settlement is happy to be a resource to the City Council as policy and budget decisions are made with regards to these issues, and we look forward to working with you for many years to come. If you have questions about this testimony, I can be reached at 212-477-0455 x 1110, or JFischer@henrystreet.org.



Weinberg Center for Balanced Living

@ The Manny Cantor Center: 197 East Broadway, NY, NY 10002 / (646)-395-4270

Testimony to the City Aging Committee, June 21, 2018

Good afternoon. My name is Karen Taylor, and I am the Program Director for the Weinberg Center for Balanced Living, an actively-growing senior center on the Lower East Side. When I joined the Center staff in 2014, there were 800 members, with about 10% attending on a monthly basis. Today, just four years later, our membership is over 4,800, with nearly 20% attending each month.

With support from this Committee, and strong advocacy on the part of our agency, the Weinberg Center was able to add an additional staff person to our department last year. This brought our total number of DFTA full-time staff to four. And while we do have instructors who come in to teach a class or two each week, the ratio of staff to members still feels very overwhelming.

When DFTA announced its intention to create a “model budget” for senior centers, I was thrilled and hopeful. My dream was to add a full-time case worker to help reduce the load on our full-time social worker and on the case workers I borrow from another program. If the money wasn’t quite that much, my Program Manager and I were hopeful that we might hire part-time office support to handle the 50-100 new members we gain monthly – not to mention the onerous data entry mandated by DFTA to maintain our monthly stats, instead of doing what so many of us in aging services are forced to do: take them home and work on them during evenings and weekends. At the very least, I thought it could be an opportunity to add a part-time food handler to our staff, since one food handler serving 80 breakfasts and 150 lunches is really overwhelming.

When we did receive the funds, the amount allocated to our Center was less than we could pay even a half-time staff position at the State’s mandated minimum wage. And when I explored the possibility of allocating this funding for a part-time food handler, DFTA told me that none of the staff funding could go to kitchen staff or kitchen costs. And to add insult to injury, the funds came in the third quarter of the fiscal year, with a request that we submit our plan for using the money within 10 days.

There was no transparency in how the decisions were made, or how the money was allocated. There had been no previous notice that we could not use the funds for only certain staff positions. And most importantly, the goal of this “right-sizing” funding was not met. Nearly all senior centers report a need for additional staffing, particularly to help provide case work services to seniors, and to reduce the mountain of paperwork required by DFTA each month to document our work. Assuming that the funding my center received is an average amount, it could not even support a half-time minimum wage worker.

I encourage the Aging Committee to demand better transparency from DFTA, including an explanation of how the funding amounts were determined, request greater flexibility in how the funds can be spent, and most importantly, to create a truly right-sizing model of senior center budgets.

Thank you.

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Address: 4815 AVE T

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I represent: UNH

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I represent: Wheels

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I represent: UJA-Federation

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I represent: AARP NY

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Name: Katie Foley (PLEASE PRINT)

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I represent: _____

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I represent: Stanley Isaacs Neighborhood Center

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I represent: Sunnyside Community Service

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