

**Testimony of Lisa M. Flores,
Before the New York City Council Committees on Contracts, Youth Services, and
Aging
Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time
January 30, 2023**

Good afternoon, Chairs Won, Stevens, and Hudson, and Committee members. My name is Lisa Flores, and I am the Director of the Mayor's Office of Contract Services (MOCS) and City Chief Procurement Officer. Thank you for inviting me today to provide an update on the City's historic efforts to improve our contracting process for nonprofits and make sure they get paid on time. I am joined by Karen Ford, Executive Director of the Mayor's Office of Nonprofit Services, and our colleagues from the Department of Youth and Community Development (DYCD) and the Department for the Aging (DFTA), and we will be available for questions after my testimony.

MOCS is an oversight agency for City contracting that places an emphasis on service, partnership, equity, accountability, and transparency. For many years, nonprofits have identified numerous challenges with the City's contracting process, and before this administration even began, we established a collaborative relationship with Comptroller Lander to conduct a wholesale review and reform of the City's contracting process for nonprofits.

The output of this collaboration was the Joint Task Force to Get Nonprofits Paid On Time, which published a report near the start of last year based on a holistic assessment of the nonprofit experience contracting with the City and made an associated set of recommendations to guide the City's reform work. Many of the challenges identified – inconsistent documentation requirements across different agencies with the City, unpredictable timelines for moving forward with procurements, and slowness of the Council discretionary process – will be familiar to anyone who has worked with the City for many years. However, this Task Force process allowed us to collectively triage and agree upon the pain points that this administration should prioritize addressing.

The City tackled the issue widely acknowledged as the most significant pain point first: the backlog of retroactive, unregistered contracts and amendments that had built up over several years and amounted to billions of dollars in funds that nonprofits had earned yet could not access. The administration made it a priority to clear this backlog, which required a coordinated, interagency sprint to make sure we provided the funding to these

organizations that would help sustain their critical work. As we announced in August, over the course of this 12-week sprint, the City was able to unlock more than \$4.2 billion for over 460 providers, a tremendous achievement for this initiative. We are now up to clearance of \$5.3 billion of the total \$6.4 billion originally identified as part of the backlog, and have learned valuable lessons, exchanged best practices, and set ourselves up to continue this reform work going forward. But the purpose of the backlog initiative was not just to unlock this immediate funding for service providers – it was also to identify the root cause issues that lead to delays in contracting in order to incorporate those lessons into future reform work.

We are now at the next stage of implementing the Task Force recommendations, which involves discrete workstreams across key areas such as rules and policies, technology, innovation, and our collective operating model to ensure we are surfacing the key reforms identified throughout the past year and setting them on a path toward implementation. Another key piece of this, as we have shared with the Council, is reforming the Council's discretionary contracting process. As an area with some of the longest cycle times, often caused by a large volume of small dollar contracts, we are eager to continue working with you to make this process work better for our providers.

With regard to the bills presented today, MOCS generally supports the goals evident in the legislation – enhancing transparency into the expenditure of taxpayer dollars and holding agencies accountable for community engagement and timely registration – but we have questions and concerns around implementation. While we appreciate the impetus behind Intros 511 and 514 when these pieces of legislation were introduced in the prior session, these bills currently propose to regulate work that the City is already doing. Intro 511 would require the Procurement Policy Board to set time limits on various stages of the procurement process, which was identified as a recommendation through the Joint Task Force. This is a valid goal to set for the procurement process, however these time limits should be grounded in the practical experiences of stakeholders, the current reform work taking place, and reflect realistic best practices that balance risk and efficiency.

Similarly, Intro 514 would require MOCS to set up a database including public procurement information to foster greater transparency into how the City spends taxpayer

dollars. Based on our initial review, most of the data identified in this bill is already available to the public. But more importantly, MOCS is already committed to this work and taking action. Nearly a year ago we released PASSPort Public Beta to bring transparency to our contracting data. This unprecedented public insight into the City procurement is a starting point for taking the contract volume digitized through PASSPort and translating that into useful data and information for public consumption. This is a huge step to demystifying an opaque system. We are committed to continuing this work but would want to harmonize any legislation with current practice.

We would like to have further conversation with the Council on the goals and approach under Intro 866. This bill would require City contractors to file a quarterly report on their community engagement efforts and set a similar reporting requirement for agencies to share information on the community engagement efforts by their vendors. MOCS appreciates the effort to improve engagement on City contracts; we have launched a number of new initiatives, including new training series, in-person events, and more to meet people where they are and clarify City procurement. But we also do not want to mandate that vendors comply with new documentation and reporting requirements, many of whom feel overburdened by the City's existing procurement process. As we learn more about this legislation, we look forward to thinking through more ways to expand community engagement efforts.

Finally, through Intro 510 the Council is considering requiring human service providers to pay a prevailing wage on contracts with the City. The City has demonstrated its commitment to the sector through much of the work described previously, as well as initiatives like the \$68 million workforce enhancement and Indirect Cost Rate Initiative (ICR), which enhanced funding available for human service providers working with the City. While we understand the intent behind this legislation, setting this requirement would come with fiscal and operational challenges for both the sector and the City. The current prevailing wage structure works well for industries like construction where there are established trades working on discrete projects. But identifying and establishing classifications and rates for all of the unique services that our nonprofits provide to the City will be incredibly difficult. Overall, implementing such a prevailing wage program will come with significant administrative burden on providers. This will pull nonprofits away

from providing necessary services to do bookkeeping, exactly what the Joint Task Force sought to undo. As a result of these issues, the legislation could ultimately drive up costs for providers. We are happy to continue the conversation with the sector and City Council to find the best ways to ensure the City is a better business partner for the providers carrying out essential work.

Thank you for hosting this hearing, and thank you to the many nonprofit providers in attendance and watching on the stream. We acknowledge the extraordinary work you have done for our City, especially over the past few years, and as I hope I have shown today that the City is committed to making our contracting process work better for you. It will take time for us to do this work, but it is absolutely a priority, and I am proud of how much we have gotten done already. Along with my colleagues, I am now happy to take any questions you may have.

**Testimony of Karen Ford,
Before the New York City Council Committee on Contracts, Youth Services and
Aging
Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time
January 30, 2023**

Good afternoon, Chairs Won, Stevens, and Hudson, and honorable Committee members. I want to acknowledge any Council member including Farah N. Louis for sponsoring the legislation that created the office. My name is Karen Ford, and I am the inaugural Executive Director of the Mayor's Office for Nonprofit Services. Thank you for inviting me today to speak on the vision and five primary focus areas of the recently created office. Recognizing my colleagues, Lisa M. Flores, Director and Chief Procurement Officer for the Mayor's Office of Contract Services (MOCS), and our colleagues from the Department of Youth and Community Development (DYCD) and the Department for the Aging (DFTA).

I would like to start by sharing a little bit about myself that will shed light on the perspective that I am fortunate to bring to the office. Today, I can stand before you as a thriving New Yorker.

For the past twenty-five years, I've worked in city, state, and federal government and prominent nonprofit agencies serving in varying roles. Beginning with entry-level homeless street outreach and case management work to mid-level management, to senior and executive leadership. Although I am extremely proud of my accomplishments today, the message I want to highlight is what it took for me to get here. I'm sure everyone in this room has a story, but for mine, it was the human service safety net systems working together, both government and community that provided life changing opportunities. Starting with the settlement house I attended for afterschool tutoring and weekend social activities located in the Brooklyn public housing development that helped me as the youngest of eight siblings become the first and only college graduate, to the Judge and probation officer that took a chance on a bright young person who was losing her way, to the HRA worker that gave this teenaged mom an opportunity to return to college, assisting me with childcare, car fare, cash and food assistance and to the community based alternative to incarceration program that assisted with giving me my first entry-level city employment that would lead to an amazing career of service.

It is with this lens that I, on behalf of Mayor Adams and in collaboration with the First Deputy Mayor Sheena Wright and her team have created the vision, values, structure and core functions of the Mayor's Office for Nonprofit Services.

Mayor's Office for Nonprofit Services:

MONS is a centralized location that will serve as a liaison to the nonprofit sector in relation to city policies, procedures, regulations, contracting, funding opportunities, programs, resources, research, training, Mayoral priorities and benefits affecting the nonprofit sector. MONS is the central point of communication between the Mayor's Office and nonprofit organizations.

The Vision of MONS is to transform the city's approach to working with nonprofit organizations from a human service model to a human partnership model centered on equity, mutual respect, transparency, accountability and standards of excellence.

The Mission of MONS is to promote thriving communities and the delivery of essential services across the City of New York by amplifying and addressing the needs of nonprofit organizations. To achieve these goals, the Office strengthens City-led practices affecting the nonprofit sector, supports capacity building for City agencies and nonprofits, and gathers knowledge to center equity and inform City policy.

The five primary functions of MONS are:

1. procurement and contracting (project managing the implementation and sustaining of the reforms),
2. capacity building (professional development for city contracting staff, technical support for BIPOC led and smaller nonprofits),
3. central point of contact (ombudsperson, disseminating information),
4. Action-oriented research (sector surveys, analyzing large scale policy changes, assessing business models) and
5. planning and strategy (managing city-wide initiatives, program design, addressing Mayoral priorities).

Although the office is just starting out, a lot of work has taken place within the past year. MONS will work closely with MOCS on all the contracting reforms, our role in the partnership is to manage and track progress, coordinate with MOCS and

other city agencies on priority issues, communicate cross-agency updates, and coordinate nonprofit input and feedback on relevant sector issues.

Having recently joined Mayor Adams' administration from serving in a senior leadership role at a renowned nonprofit organization, I am confident in the direction of this administration. In a bold and necessary move, during their transition into office, Mayor Adams' and Comptroller Lander launched the Joint Task Force to Get Nonprofits Paid on Time. In February 2022, The Task Force delivered the action memo to the Mayor and the Comptroller with 19 recommendations for reforming the nonprofit contracting process. Since the release of the action memo, the administration has made significant strides in advancing many of the recommendations. Prior to the standing up of this office, the administration launched a comprehensive citywide effort to modernize and streamline nonprofit contracting, inclusive of city and Council Staff, and representatives from the Comptroller's Office. The following are updates on the short term and mid-term recommendations:

The Task Force recommended six short-term goals: The following three have been accomplished:

- Clearing the backlog of unregistered contracts, clearing over \$5.3 billion in payments of \$6.4 billion identified in payments to nonprofits during the effort and after.
- The administration engaged in an inclusive information gathering process that included nonprofit sector partners and key city stakeholders to stand up the Mayor's Office for Nonprofit Services. We will hear more about the vision, and functions of the office.
- Created transparency in the contracting process by enhancing the functionality of PASSPort to allow providers to see the status of their contracts.

A few are still in progress:

- Establish and publish a set of key performance indicators (KPI's) to assess citywide and agency -specific performance.
- Looking at standardizing documentation templates across human service agencies.

Ten medium-term recommended goals are on course for FY23. Using a lean six sigma approach the team engaged in a comprehensive assessment of the procurement and contracting process looking for ways to streamline and modernize processes. The completion of this mid-term goal gave us the focus for many of the broader city-wide reforms that are well underway, this also includes the following Joint Task Force recommendations.

- Developing a framework for Contract Stat, a performance management accountability system that will allow us to engage in continuous improvement.
- Further enhancements to PASSPort to allow for a fuller integration and city-wide usage.
- We want to thank the City Council Finance staff for their insight and participation in the workstream dedicated to focus on discretionary reforms.
- We are also looking at ways to expand access to and available financing to the returnable grant fund administered by the Fund for City of NY.
- Training is a focus of MONS. The capacity building function of the office will create a structure to support skills training for city agencies working and nonprofit organizations with MOCS as the content experts.

In the near future we look forward to returning to provide additional updates on the priorities of the office as we continue focusing our efforts on the few remaining goals. Thank you for your time and I look forward to working closely with each of your offices and I am happy to take any questions you many have at this time.



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

**Testimony of New York City Comptroller Brad Lander
Before the New York City Council Committees on Aging, Contracts and Youth
Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time**

January 30, 2023

Thank you, Chair Hudson, Chair Stevens and Chair Won, and members of the Aging, Contracts, and Youth Committees for the opportunity to testify today on the work of the Joint Task Force, the initiatives of the Comptroller's office to ensure prompt payment of not-for-profit service providers, and the legislation on today's agenda. I truly appreciate your partnership in this critical work.

Nonprofit organizations provide essential services to all of our communities, partnering with and supplementing government services to nourish, shelter, educate, spark the imagination of, and care for New Yorkers from early childhood to late adulthood. In Fiscal Year 2022, New York City procured \$12 billion in human services, which accounted for approximately 40% of the City's total registered value and served millions of New Yorkers. The City contracts with a vast array of nonprofits: our library systems, homeless service providers, hospitals, community-based arts organizations, day care providers, after-school programs, environmental groups, violence interrupters, alternatives to incarceration, domestic violence, immigrant advocacy and services, job training, affordable housing, the list goes on and on.

One thing, alas, that all these groups have in common is that it takes them far too long to get paid by the City for the work they do. To provide these essential services, the City of New York requires organizations to navigate complex, multi-step processes that often mean services are provided for months, and even years, before payment – an untenable situation for many organizations.

On average, non-profit service contracts take over 300 days (i.e. 10 months) from the date they are awarded to be processed and registered. Those contracts spend a significant portion of that time in retroactive status, preventing invoicing and payment, and forcing providers to front the cost of delivering services to New Yorkers at risk. Imagine if we said to our schools, police precincts, and fire-houses: please start providing services on July 1st, and we'll start paying you sometime around next May. They could not and would not do it. Yet that is what we do to thousands of nonprofit groups.

Dramatically improving this system has long been a top priority of mine. So even before I was sworn into office, I reached out to then Mayor-elect Adams to address it together. Previously, the

Administration and the Comptroller pointed fingers at each other, but nothing changed. Knowing that the changes we need in procurement can only come in partnership, Mayor Adams and I convened a task force in December 2021 to address longstanding delays in contracting with the city's nonprofit human service providers.

What's Been Accomplished So Far

Over the past year, City Hall, the Mayor's Office of Contract Services, City agencies, and the Comptroller's office, working closely with nonprofit organizations, and in regular conversation with the City Council, have made meaningful progress on several of the recommendations of the nonprofit task force:

- Our joint **"Clear the Backlog"** initiative, a months-long, all hands effort across agencies last summer and fall, cleared over 4,000 backlogged contracts, unlocking over \$5 billion of long-overdue payments.
- The Mayor's Office of Contract Services brought **PASSPort Public** online, making it possible for the first time for organizations and members of the public to see where contracts are in the processing and registration process. I know that frustrations remain, and that there is work to do to enable PASSPort to achieve its goals; but the difference it makes to have the data in a unified, more visible system is significant.
- Agencies have been empowered to add an **allowance of up to 25%**, to account for potential changes such as COLAs (cost of living adjustments) or indirect cost rate increases. Previously, these post-contract additions required contract amendments, which are processed through the same lengthy process as the original contract, and which freeze payments during that time. Now, these additions can be drawn from the allowance, without a contracting amendment taking months. To date, our office has registered over one thousand of these allowance amendments.
- We sought and received approval to **raise the threshold for contracts requiring "FCB (Financial Control Board) approval"** from the NYC Office of Management and Budget from \$5 million to \$50 million. To be honest, I wish we would eliminate this step entirely (OMB already reviews all contracts anyway); but this eliminates the step for 90% of the contracts that were covered previously.
- Our office, under the leadership of Deputy Comptroller for Contracting and Procurement Charlette Hamangian, has been **registering contracts in record time**, once they reach us. While we have a deadline of 30 days (we are the only agency with a statutory deadline), our average for human service contracts has been half that, while still preserving our critical work to ensure that procurement rules have been followed. We also identified several hundred grants to small, community-based arts organizations that were being submitted to our office for registration, where this was not required.
- Last month, Mayor Adams appointed **Karen Ford as the first Executive Director of Mayor's Office of Nonprofit Services**, created by Local Law 164 of 2021, of which I was a co-sponsor when I was a Council Member. The new office can will help to communicate with, coordinate, and advocate within City Hall for nonprofits, so that we continue to drive change.

What We Need to Do Next

There is, of course, still a very long way to go. This is a problem that build up over many years, and that results from dozens of separate process steps. There is no one silver bullet, but instead

many steps we must still take to achieve the goal of a reasonable timeline for contract processing and registration. Some of the key next steps include:

- **ContractStat**, a performance management system designed to hold agencies accountable, is projected to launch in the coming months. This is a critical next step for identifying bottlenecks, both for individual contracts but especially systemic ones. This will allow us to see how long each contracting and oversight agency is taking to perform its work, and then to set and monitor clear goals for improvements.
- Working with City Hall, and with members of the Capital Reform Task Force, we will be seeking **legislative changes** in Albany this session, some of which will benefit nonprofit contracting as well. The most significant of these is legislation that would dramatically **reduce the number of contracts that require a public hearing** – hearings that more than 99% of them time no one goes to, but that still require nearly a month to prepare for, schedule, and hold. In place of these almost-always-empty hearings, information about the contract could be posted online. The public would actually get more timely information about contracts in the pipeline, and the process could be sped up by several weeks.

Discretionary Funding

One important area where this is significant opportunity for improvement is discretionary awards to nonprofit organizations by the City Council. As a former Council Member, I know how valuable these smaller, more flexible awards can be to a treasured community-based arts group, a culturally competent domestic violence organization, or the neighborhood food pantry that unlocks so much community goodwill – but also how challenging it is for small organizations to navigate our contracting process, and to go for many months without funding.

Discretionary contracts account for just 3% of the total dollar volume of nonprofit human service contracts, yet they represent 40% of the volume of nonprofit contracts in PASSPort, and they take far longer to get registered. The median cycle time for discretionary awards is 359 days, essentially a full year, versus 308 days for competitive contracts. And because far fewer of them are multi-year, they spend far more time in retroactivity status: a median of 387 days, more than a year, versus 82 days for competitive contracts.¹

City Hall, MOCS, and my office have therefore begun conversations with Speaker Adams, Chair Won, and Council central staff to make changes that could significantly accelerate discretionary awards. Meaningful steps forward here include:

- The establishment of a “**multi-year contract**” **mechanism** that we believe will be ready for the FY24 application process. This will allow agencies to issue a notice to proceed to organizations that typically receive the same funds year-over-year. It would allow a subsequent award from the Council to be more like a contract renewal, instead of requiring the organization to start from step zero each year. While this won’t save time in the first year such a contract is adopted, in the subsequent years it would mean the organization does not have to go through the registration process again, but can instead just keep submitting invoices. We believe this could impact nearly three-quarters of awardees each year.

¹ Analysis by McKinsey for the Nonprofit Task Force, based on PASSPort data from 10/29/20 to 2/2/22.

- **Aligning the application process** across submission to the Council, Council Finance Review and Agency-level review is another priority. Currently, nonprofits submit extensive materials to the Council as part of their application process early in the calendar year. However, because this is in a separate system maintained by the Council, after awards are made in the Adopted Budget in June, the nonprofits must submit many of the same materials, all over again, in the fall, to the contracting agency for processing.

We are currently working together to map each discrete step of the discretionary process. We hope to be able to develop a system and process that achieves alignment, so nonprofit organizations can submit documents during the application process which can then be used by the agencies after budget adoption, without resubmission.

- Ultimately, it would be a significant benefit for the Council to move its application and review **process for discretionary awards into PASSPort.**

We know these steps will not be easy, and that some of them require substantial work on the part of City Council, agency, oversight, and Comptroller staff. Nonetheless, we believe that the payoff will be significant. Ultimately, the changes we are making not only have the potential to dramatically reduce how long nonprofits are waiting for their contracts, but also to reduce needless bureaucracy, while still improving transparency, integrity, and good government.

Legislation on today's agenda

I am encouraged by **Intro 510**, sponsored by Chair Stevens, which would require setting prevailing wage standards for nonprofit workers. So many of the nonprofit workers who perform all these essential services are paid such low wages that they cannot afford their rent and rely on emergency food providers themselves. Raising their wages hold the potential of pulling tens of thousands of New Yorkers out of poverty, predominantly women and people of color.

At the same time, there are critical things to get right about this bill. First, we have to reckon honestly and clearly with the cost. As these are specifically for City contracts, the funding will have to come from the City budget. That requires a clear accounting of the cost, putting that money in the budget in advance, and identifying where it will come from. There are a number of challenges here. The Comptroller's office sets prevailing wages for a sector after extensive study of the sector, which we have not conducted here, and the Administration would need to provide substantial information on relevant positions in order to develop the full estimate.

The Council and the Mayor would also, of course, need to identify the funding source for this much-needed increase. As I have indicated, in order to create a more equal economy coming out of the pandemic, it will likely be necessary to ask the wealthiest New Yorkers, many of whose portfolios and property values grew significantly through the pandemic, to pay just a little bit more – in this case so that our human service workers do not have to live in poverty.

Finally, the bill as drafted lacks an enforcement mechanism. I encourage the Council to add strong enforcement language to ensure that workers actually receive the wages and benefits that they earn, modeled on State prevailing wage law. The Comptroller's Bureau of Labor Law enforces prevailing wages under State law, and if empowered, we would work diligently to do so here as well.

I support **Intro 511**, also sponsored by Chair Stevens, would require the Procurement Policy Board (to which the Comptroller appoints two of five members) to set time limits within which contracting and Mayoral oversight agencies would be required to complete each step of the procurement process, and the Mayor's Office of Contract Services to assess whether agencies are complying. The Comptroller's office is currently the only City agency with a mandated timeline – we must register or return each contract we receive within 30 days – and we are proud to meet and generally exceed that deadline.

It is important to recognize that many of the steps in the procurement process involve a back and forth between contracting agencies and vendors, as well as contracting agencies and City oversight agencies. While that may render it difficult to pinpoint in whose court the ball is in at a particular moment, measuring the overall cycle time for important process milestones will help to identify system and procedural bottlenecks and inefficiencies that merit reform.

The ContractStat process I mentioned above will be an essential next step, in letting us see how long each step of the process is currently taking. That will allow us to set reasonable timelines for each stage of the process. The City would need longer than 120 days to conduct the study and set time limits, but I believe it could be done by the end of the calendar year.

Since I took office, my team and I have worked hard to do what is in our power to speed up the contract process for nonprofits and other critical vendors that serve the city. We are proud of the progress we have made, but we know there is a very long way to go. We pledge to continue doing all we can, and we remain hopeful and committed to working with all the key players involved in the procurement process, including the City Council, to make real, quantifiable progress. So many New Yorkers, and the nonprofit organizations who serve them, depend on it.

Thank you.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

**TESTIMONY OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE NEW YORK CITY COUNCIL JOINT COMMITTEE HEARING FOR THE
COMMITTEE ON AGING, COMMITTEE ON CONTRACTS, AND THE
COMMITTEE ON YOUTH SERVICES
JANUARY 30TH, 2023**

Good afternoon,

My name is Jumaane D. Williams, and I am the Public Advocate for the City of New York. I would like to thank Chair Hudson, Chair Stevens, Chair Won, and the Committee Members for holding this hearing.

The bills introduced today are a welcome addition to the fight for livable wages for human service workers. Int 0866, Int 0511, Int 0510, and Int 0514 all increase public accountability and will set guidelines that benefit our impoverished essential workers

Human services workers have struggled to make ends meet on low salaries. In small organizations without large reserves, many workers go unpaid until the organizations receive the funding allocated after contract obligations have been met. In daycare settings, the delay in receiving funds has led to daycare closures and staff retention problems.

I am supportive of Int 0514 and I hope the legislation passes. I am concerned, however, about how long it will take DoITT at its current capacity to create an entirely new database to track and report on every major city contract. Major upgrades to 311 have been stalled out because of cutbacks in the last five years. It is imperative in the upcoming budgeting session for DoITT to have the adequate resources to execute a proposed project of this size and ultimately, our communities and the staff at the various not-for-profits will be the beneficiaries.

The legislation today presents a floor for human services workers to get paid what they are owed. There are early childhood educators who have not received pay increases in decades, with many having to leave the profession because of low pay. It is vital that the legislation moving forward will have a definition of "human services" that accurately captures the entirety of human services in New York City. In New York City Administrative Code section 6-129, which the section states that human service providers, and specifically "health or medical services [including] those provided by health maintenance organizations." Some contracted emergency responders may get left off because they might not qualify as a health maintenance organization. For example, the New York City EMS System contracts human service providers for EMTs, which receive very low pay. We must include city contracted emergency responders. Emergency workers are literal lifesavers, they should not struggle to put food on their families' table.

New York City partners with excellent nonprofits who know their communities' needs and are able to deliver services. We must make sure that those delivering the services are paid fairly for their work, and that we can weed out bad partners. The legislation before us today proposes taking strides to increase accountability, as well as salaries for service workers.



Asian American Federation

Testimony for New York City Council Committees on Youth Services, Aging and Contracts

January 30, 2023

Written Testimony

Thank you Chairs Stevens, Hudson, Won and members of the Committees on Youth Services, Aging and Contracts for holding this hearing and giving us an opportunity to testify. I am Lisha Luo Cai, Advocacy Coordinator at the Asian American Federation (AAF), where we proudly represent the collective voice of more than 70 member nonprofits serving 1.5 million Asian New Yorkers.

We're here alongside member organizations of our Seniors Working Group, the first Asian-senior service coalition in our State. Alongside our members, we're here to discuss the critical issue of how our City supports the work they do with our most vulnerable populations. We're here to highlight not only the critical work that needs prompt, sustained funding, but also the notable hurdles faced by community-based organizations who have more often than not been the first entities our most vulnerable turn to for help.

The 12 Asian-led, Asian older adult-serving AAF member organizations comprising the Seniors Working Group served more than 100,000 low-income seniors in 2022, with new data still incoming. Asian older adults comprise 13.9% of the city's older adult population, and the number of Asian older adults in poverty increased by 63.4% between 2010 and 2019, the largest percent increase of any major racial group. Of our older adults in poverty, 29% live alone and 80% have limited English proficiency (LEP).

These service organizations provide a broad spectrum of services, from food pantries to meal deliveries, from ESL classes to congregate meals and mental health services, clinical and non-clinical. Even though there is a sustained effort to move more funding towards in-person senior services, SWG members regularly acknowledge that demand for remote services, including basic needs deliveries and wellness calls, remains high, requiring already stretched-thin staff capacity to be stretched even further.

And at organizations rooted in our Asian communities, that our community members go to first in order to access critical services, cultural competence and language accessibility are basic requirements. Especially in service areas of increased complexity and nuance, like mental health services, this is even more critical. But as we continue to highlight, being culturally-competent and language accessible in the services provided by these CBOs simply costs more, and it's a cost rarely incorporated into City contracts. Paying competitive wages for in-demand bilingual and licensed mental health staff, for example, or helping to support the accessory needs of staff moving through the immigration process, are the kinds of costs the City has yet to account for while discussing how to better serve out immigrant communities.

Moreover, when it comes to City contracts, our SWG members highlight a well-known issue, delays in getting funding after completing already-onerous contracting and approval processes. Not only are critical service staff at these organizations spending limited capacity navigating labyrinthine contracting processes, but even upon completion, many continue to wait years for the funding to even arrive.



Asian American Federation

If an organization providing services in our community gets approved for City funding, they shouldn't have to apply for loans to keep the lights on in the meantime.

Recommendations

1. Prioritize community-led older adult center-running organizations in policy-making, especially those serving underserved and isolated ethnic and linguistic communities. Many of these communities require specific service approaches and are often dispersed throughout the City. Similarly, some organizations and older adult centers are uniquely-equipped to serve and focus on their needs.
2. Increase funding to Asian-led, Asian-serving older adult service providers, and expand this funding to include time and expenses spent on case management and digital literacy, devices and training. Even though funding has historically prioritized mainstream organizations, our marginalized older adults have always first come to our CBOs to access services they can actually take advantage of; these providers deserve easier access to funds as they provide irreplaceable services.
3. Expand funding to include culturally competent, in-language, and older adult-focused non-traditional mental health service models. This includes prioritizing CBOs that have a history of providing free or subsidized nontraditional, culturally competent services for funding opportunities.

On behalf of the Asian American Federation, thank you for giving me the opportunity to speak on this important issue. Our seniors are in crisis, it's organizations like those in our Seniors Working Group who are helping them, and the issues being discussed today are of urgent importance. We look forward to working with all of you.



New York City Council
Committee on Youth Services, Aging, and Contracts
Hearing on the Joint Taskforce to Get Nonprofits Paid on Time
January 30, 2023
Testimony of The Bronx Defenders
By Justine Olderman, Executive Director

The Bronx Defenders (BxD) is a 400-person non-profit that provides constitutionally mandated legal and social services to over 20k low-income, predominantly Black and brown, New Yorkers in our criminal, immigration, family, and civil legal systems. Our model of representation has been shown to decrease incarceration, deportation, eviction, and family separation and save this city millions of dollars.

Yet today, because of the City's unconscionable and mind-boggling inability to get nonprofits paid on time, we have repeatedly found ourselves teetering on the edge of a catastrophic cash cliff.

As we enter the 8th month of the fiscal year, only 2 of our 4 core contracts have been registered, including our \$6 million City Council funded program to represent detained immigrants in deportation proceedings and our \$12 million baselined contract to provide constitutionally mandated representation to low-income parents facing family separation. Given the expenses already incurred towards those two programs, the City of New York currently owes us close to \$10 million.

The Bronx Defenders does not have a line of credit, reserve fund, or endowment and has no alternate and steady source of cash to bridge these delays in contract registration.

BxD used to have a line of credit, but we were dropped by our bank when we developed a worrying pattern of needing to draw down the line for longer and longer periods of time. Eventually the bank declared that it did not have faith in the City and did not sign up to be the City's bank. We have been rejected by every bank we have approached since.

So instead, we have had to borrow from programs with registered contracts, apply for a grant from the Fund for the City of New York and take out a high interest loan which has resulted in BxD paying over \$300,000 in additional costs this year alone.

And it is still not enough. To try to preserve the little cash we have, we have been holding off on paying vendors, experts, utilities, and rent which results in late charge after late charge and harms relationships critical to the delivery of quality legal services.

We have been waiting to fill vacant staff lines, which results in increases in workload for the ever shrinking staff we do have, which decreases both the quality of representation and staff morale, which in turn feeds the exodus of people from our office.

These contracting delays also strain our small finance and operations teams as they field angry calls from unpaid vendors, seek loans, and beg, plead, and cajole City agencies to move our contracts forward and pay our invoices quickly.

And the psychological toll on our operations and leadership teams far exceeds the drain on our time. We are all operating under enormous pressure and face incredible anxiety as we try to figure out how to keep the lights on, our dedicated staff paid, and the people we represent served.

But the most egregious aspect of the City's abject failure to pay us on time is that it forces us to underspend our contracts, rendering its commitment to low-income Black and brown New Yorkers at best an undelivered promise and at worse a boldfaced lie.

If the City awards us \$6 million to represent low-income immigrants facing deportation but does not register that contract until after the fiscal year has ended, then I must find another way to cover the costs of the \$6 million program. But what if I can only cobble together \$4.5 million? My deliverables have not changed but the amount of money I have on hand to meet those deliverables has decreased dramatically. The City has set up a system that purports to invest \$6 million in representation for low-income immigrants but makes it impossible for me to access the full amount of the award, cheating low-income New Yorkers of critical legal and social services.

The same holds true for the various enhancements and investments the City has so proudly announced over the past few years like, pay parity, the increased indirect cost rate, and the workforce enhancement initiative. Without another source of cash to fund these new enhancements and investments while we await the registration of their corresponding contract amendments, we will not be able to spend any of the money the City claims to be committing to our work.

The Taskforce to Get Nonprofits Paid on Time provided a clear pathway to fixing the problem and yet few of the recommendations have been implemented and those that have been implemented have failed to make a difference.

For example, the City still has not implemented the short-term recommendations of creating timeframes for each state of the procurement and contracting process and establish and publish a set of key performance indicators. Nor can providers track the status of our contracts except at a high-level view.

As the committee report noted, the City has finally cleared the backlog of amendments dating back to 2020, which is great in theory but is only helpful in reality if an organization was able to borrow against those unregistered amendments and wait years to pay the money back. We are not one of those organizations.

This Council and this administration has to do more. It has to do better. We urge the Council to be relentless in its oversight of the implementation of the Taskforce recommendations including the following:

- Accountability in the form of timeframes for each step of the contracting and procurement process.
- Requiring the City to cover the interest incurred on a loan or a line of credit.
- Allowing renewals of discretionary grants for multiple years instead of starting the entire contracting process over again each year.
- More funding for the Renewable Grant Fund so that it can cover the operating costs of an organization's program not just for a pay cycle but for the entire length of time it takes to get a contract registered.

This City's budget is more than a list of numbers. It reflects the City's commitments and values to the low-income people that the nonprofit sectors support. But it can only reflect the City's commitment and values if the abstract numbers translate into concrete dollars that our organizations can use to provide critical legal and social services. When we can't do that, it is not the organizations who suffer the most. It is the low-income New Yorkers in need.



New York City Council Committees on Aging, Contracts and Youth Services
Oversight Hearing on Nonprofit Contracting
and the Joint Task Force to Get Nonprofits Paid on Time

Good morning. My name is Nadia Chait, and I'm the Senior Director of Policy & Advocacy at CASES. Thank you to Chairs Won, Hudson and Stevens, and members of the Contracts Committee, Aging Committee and Youth Services Committee for the opportunity to provide testimony on the need to improve the nonprofit procurement process.

CASES is a nationally recognized leader in the development of innovative programs to address the intersection of unmet mental health needs and criminal legal system involvement. We served over 9,000 New Yorkers last year, of whom nearly 90% identified as Black and/or Latino, consistent with disparities in policing and sentencing. Our programs prevent the harm and trauma of incarceration through pretrial services and alternatives to incarceration (ATI); support achievement of education, employment, health and housing goals; promote mental wellbeing through a range of clinical and case management programs; and reduce recidivism through community-based solutions. We currently have contracts with the Mayor's Office of Criminal Justice, the Department of Health and Mental Hygiene, the Department of Probation, the Department of Youth & Community Development, the Human Resources Administration and the Administration for Children's Services.

Our ability to do this work, however, is routinely threatened by extreme delays in contracting. **We strongly support Intro 511**, which would set time limits for the procurement process. As our examples below show, delays in contracting create financial havoc at CASES. Accelerating the current contract registration and payment process will alleviate this burden and ensure continuity of our services.

For just a few examples of the challenges we face when working with the City:

- **Over 4 years without payment on one contract:** We jointly applied for \$750,000 in federal funding with a city partner, which the City was awarded in 2018. Our contract started on January 1, 2019, and ended on September 30, 2022. We have yet to receive any funding for this contract, and the contracting process did not start in PASSPort until January 1, 2023, four years since the start of the contract and three months after the end of the program.
- **Renewal contract unregistered for over 6 months:** We have a two-year, \$18.9 million contract with the City. This is a renewal contract for July 1, 2022, through June 30, 2024. We started the renewal process in March 2022, when the contract was created in PASSPort. We provided required documents as of March 22, 2022. The contract remains unregistered and did not have any action from March 22 until October 6. Through December 31, 2022, we have incurred \$3.5 million in costs, for which we have received

only a \$833,000 interest-free loan through the Fund for the City of New York (FCNY). CASES has thus had to rely on our \$1,500,000 line of credit with a private banking institution, and when we borrow, we incur interest at Prime +.5%, currently at 7.5%, thus requiring that CASES must pay interest to a private banking institution in order to provide City-contracted direct services—an interest expense that we must pay for with our limited organizational unrestricted funding.

- **Contract unregistered for 5 months, while we incurred \$5.7 million in costs:** We have a three-year contract with the City for \$59.1 million and a start date of July 1, 2022. The award was created in PASSPort on May 18, 2022. We provided all required documents on July 8, 2022. Additional documents were requested, which we provided on July 28, 2022. The contract was not registered until five months after the start date and four months after all requested documents were provided. We incurred \$5.7 million in costs over this period. We did not receive our advance on the contract until after it was registered. We did receive FCNY loans totaling \$2,805,000 which helped cover just under 50% of the costs we had incurred over the first 5 months of the program.
- **City Council Contract not registered until 3 months after the contract ended:** Our FY22 City Council award totaling \$1,198,775 for services provided from 7/1/21-6/30/22 was finally registered after the fiscal year ended, on 9/14/22.

The City's failure to pay its contractors leaves providers like CASES in a lurch. It threatens our ability to make payroll and to continue to provide services. It requires us to fundraise solely to cover interest on loans made by private banking institutions that we had to take out while waiting for payment from the City. This is a broken system. We are very appreciative of the Council's attention to this issue and work to resolve the longstanding contracting delays. Intro 511 is an important step in speeding up the procurement process.

We encourage the Council to continue to engage in oversight of City contracting. Several of our contracts are with the Mayor's Office of Criminal Justice. These are complex contracts that require expertise in the programs we provide and the way that the various parts of the criminal legal system interact. Some of these contracts may be transferred to the Division of Youth and Community Development. We encourage the Council to monitor this development closely to ensure that there is appropriate program expertise and knowledge of these contracts for a successful transition. The City must communicate regularly and robustly with impacted providers so that we can ensure continuity of services.

Thank you for the opportunity to testify. We truly appreciate the Council's commitment to improving the procurement process.

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CATHOLIC COMMUNITY RELATIONS COUNCIL

191 Joralemon Street, 2nd Floor, Brooklyn, New York 11201

Testimony of Joseph Rosenberg
Executive Director, Catholic Community Relations Council
Before the New York City Council Committee on Contracts,
Committee on Youth Services and the Committee on Aging
Int. 511
January 30, 2023

Good afternoon, Chairs Won, Stevens, Hudson and members of the Committee on Contracts, Committee on Youth Services and Committee on Aging. I am Joseph Rosenberg, Executive Director of the Catholic Community Relations Council (“CCRC”) representing the Archdiocese of New York and the Diocese of Brooklyn on local legislative and policy issues. I am here today on behalf of Catholic Charities of the Archdiocese of New York and Catholic Charities of the Diocese of Brooklyn and Queens in support of Int. 511. New York City’s contract procurement process needs to be reformed. The lengthy approval process and the inability for awarded monies to flow to the nonprofit agencies hurts both the nonprofit providers and the populations that are intended to be served. This bill would go far in allowing monies awarded by city agencies to flow to the service providers and clients.

For over a century, Catholic Charities of both dioceses have been at the forefront of providing essential services and relief to the residents of New York City, whether it involves:

1. acting as one of the first responders to help the beleaguered residents of communities that are crippled by natural disasters such as Superstorm Sandy;
2. providing supportive housing for formerly homeless individuals and families;
3. ensuring that homebound elderly receive meals and assistance during the pandemic; and
4. assisting immigrants and refugees fleeing violence and oppression to seek safety in our City.

They, and other nonprofit human service providers, work closely with New York City social service agencies to help hundreds of thousands of residents who might otherwise fall through the social services safety net.

We all appreciate the Mayoral Administration, the City Council and the NYC Comptroller’s focus on trying to expedite agency contract awards to nonprofit providers. Too often, however, City funds awarded to these providers fail to cover the full costs needed to help assist these targeted populations and, in many instances, the nonprofits do not receive the awarded monies until many months after the contract services term has started. As a result, the nonprofit sector must often reach into their reserves or obtain bridge loans to finance the services required under the contract terms.

This Mayoral Administration, the NYC Comptroller, and the City Council have long been aware of these challenges and have been working to rectify them. The joint Mayoral/Comptroller report “A Better Contract for New York- A Joint Task Force to Get Nonprofits Paid on Time” focuses on needed reforms and we are pleased that this is a priority of our elected officials.

But regardless of this effort, additional measures are needed to simplify and expedite the City's unwieldy procurement process. City agencies awarding human service contracts and providing these funds to the nonprofit sector are not subject to any specific time frames whatsoever. Int. 511 would remedy this. It would require the procurement policy board to establish time limits where contracting agencies must complete each step of the procurement process. Requiring contracting agencies to comply with specified time frames would speed the contract award process. It would go far towards ensuring that monies awarded to nonprofit service providers for helping the most vulnerable of our residents are directed to these nonprofits and do not languish in a bureaucratic limbo for many months and in some instances, even years.

There is additional language that we recommend be included in the legislation. It would state that in the procurement or administration of the contracts that New York City enters into with providers for the provision of services, that at any time any reviewing agency becomes aware of a deficiency in the submission of a document by the nonprofit provider, such agency has 10 days to notify the provider of this deficiency, thereby allowing it to be corrected. This would go far in allowing contracts to be timely reviewed and approved by City agencies and transferred to the NYC Comptroller for registration.

Accordingly, the Catholic Community Relations Council strongly supports Int. 511 and urges that it be passed by the Council.

Thank you.



**ADVANCING OUR
COMMUNITY**

Chinese-American Planning Council, Inc. (CPC)

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www.cpc-nyc.org

**Chinese-American Planning Council, Inc.
Testimony at the New York City Council
Joint Committees On Youth, Aging and Contracts
Honorable Chairs Stevens, Hudson, and Won**

Thank you Chair Stevens, Chair Hudson, and Chair Won, and the Members of the City Council for the opportunity to testify today. The mission of the Chinese-American Planning Council, Inc. (CPC) is to promote social and economic empowerment of Chinese American, immigrant, and low-income communities. CPC was founded in 1965 as a grassroots, community-based organization in response to the end of the Chinese Exclusion years and the passing of the Immigration Reform Act of 1965. Our services have expanded since our founding to include four key program areas: Childhood Development, Education & Career Services, Senior Services, and Community Services.

CPC is the largest Asian American social service organization in the U.S., providing vital resources to more than 80,000 people per year through more than 50 programs at over 30 sites across Manhattan, Brooklyn, and Queens. Our revenue is approximately half New York City funding.

CPC now employs a team of over 700 staff members, many of whom come from the same neighborhoods we serve. With the firm belief that social service can incite social change, CPC strives to empower our constituents as agents of social justice, with the overarching goal of advancing and transforming communities.

CPC offers holistic services that target both individual and family needs. Our programs are available for community members of all ages and backgrounds, and span five key service areas:

- **Early Childhood Education:** child care for children of ages 1-5 and workshops for parents.
- **School-Age Child Care Services:** after-school programming for children in grades K-5.
- **Education & Career Services:** ESOL classes, youth development, and workforce trainings.
- **Senior Services:** wellness, recreation, meals, and workshops for adults aged 60 and older.
- **Community Services:** family resources, public benefits, counseling, advocacy, and referrals

To that end, we are grateful to testify about issues that impact the individuals and families we serve, and we are grateful to the Council for their leadership on these issues.

We are grateful for your commitment towards establishing prevailing wage requirements for city-contracted human services workers. This is a critical step for a workforce that is deeply underpaid by the City for the essential work we carry out everyday. Government contracts directly sets salary rates on contracts or indirectly by establishing costs for a unit of service along with required staffing on a contract. Government has intentionally kept these wages at poverty wages, for a workforce that is largely staffed by women, people of color and immigrants. For example, we have an early childhood director who has been at the organization for 50 years whose City contract pays her on par with a first year DOE instructor. In order to truly create robust wages for human services workers, we must do so at the source- there must be a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts with funding so that this bill does not become an unfunded mandate. We urge the Mayor, Comptroller, and City Council to work together with human services providers for rulemaking and implementation to lift wages and ensure there are no unnecessary administrative burdens.

We are also grateful to see Intro 0511, human services providers continue to face late contracting issues, which have a detrimental effect on both the organizations themselves and the communities that

we serve. These late contracts create a risky situation where we have to start the work without a registered contract and payment, or delay in starting the contract, which affects the communities dependent on the services of providers. Many of the late contracts are also renewals, so there isn't really an option to suspend services while we wait for a registered contract; the City's delays cost us real money and jeopardize the quality of services by diverting funds away from programs to pay interest on lines of credit. Although the City cleared the backlog of more than \$4 billion in unpaid contracts and amendments, setting procurement timeframes can help ameliorate the procurement delays facing the sector.

Late payments are an exacerbating issue for nonprofits that already strapped for cash flow due to the severe underfunding of New York City Contracts. They mean that we have to delay other important payments, put off critical investments in things like infrastructure and technology. They often mean we have to take out a line of credit to float the difference. Last year, we paid nearly \$100,000 in interest on late payments. That money that we subsidize the city on, is money that could have been used to provide adult literacy classes to 111 more students, a full year of afterschool programming to 33 young people, or over 8,300 culturally appropriate home delivered meals for home-bound seniors. Exacerbating this issue is the fact that we don't even know when late payments will come in, with no reliable way of finding out. This makes planning impossible, so we can't even say how long we have to put off a needed repair, for example. It is worth noting that discretionary contracts are among the worst offenders for late payments.

Lastly, we are grateful to see legislation that increases the transparency of the procurement process. However, it is crucial that the development of this procurement database does not create administrative burdens for the providers. Providers already face high administrative burdens with insufficient staffing infrastructure to manage them. Because the City already utilizes PASSPort Public, human services organizations should not be responsible for inputting data into this new public procurement database, but rather mandate contracting agencies to support the database.

CPC appreciates the opportunity to testify on these issues that so greatly impact the communities we serve. We look forward to working with you on them.

If you have any questions, please contact Carlyn Cowen at ccowen@cpc-nyc.org



Citizens' Committee for Children *of* NEW YORK

**Testimony of Rebecca Charles & Caitlyn Passaretti
Policy and Advocacy Associates
Citizens' Committee for Children of New York**

**Submitted to the New York City Council Oversight Hearing
Committee on Youth Services, Aging, and Contracts
January 30th, 2023**

Citizens' Committee for Children of New York is a 76-year-old independent, multi-issue child advocacy organization. CCC does not accept or receive public resources, provide direct services, nor represent a sector or workforce; our priority is improving outcomes for children and families through research and advocacy. We document the facts, engage and mobilize New Yorkers, and advocate for solutions to ensure that every New York child is healthy, housed, educated, and safe.

We would like to thank Councilmember Stevens, Councilmember Hudson, Councilmember Won and all the members of today's Committees for holding today's hearing on nonprofit contracts and ensuring providers are paid timely.

As a member of the Campaign for Children, CCC has supported the creation of an array of priorities to ensure providers of youth services and early care and education are supported and programs are able to effectively serve New York's youth and families. There are several overarching contracting priorities that apply to both early childhood education and youth services providers:

- **Ensure timely contract registration and payment for services rendered.**
 - Currently, providers are experiencing multiple months of payment delays that are jeopardizing fiscal solvency of CBOs and negatively impacting both the workforce and the children, youth and parents depending on early childhood and youth services;
- **Address ongoing delays experienced within the Comprehensive Background Check system that hamper providers' ability to remain fully staffed and offer services.**
 - The delay in background checks for CBO staff working in early childhood and youth-serving programs have increasingly taken more time to turnaround, what was problematic prior to the pandemic is exacerbated now.
- **Examine and protect city agency staffing essential to contract registration, payment, and background checks.**

Additionally, we urge the City to pay living wages for human services workers. CCC supports the #JustPay Coalition, and we hope that the city takes the needed steps to invest in and support this

vital workforce. Human services workers were on the front lines throughout the pandemic and have continued to work as we rebuild; they are essential and must be compensated with a living wage. Furthermore, the Human Services Council reported that human service workers are 82% women, and 80% women of color and 60% of the workforce qualifies for some form of public assistance; making this a racial, economic and gender justice issue that must be addressed.

To combat these challenges, we need to ensure the workforce is paid a living wage and paid on time, we want nonprofit workers to feel heard and valued in their jobs, and we want the programs they run to be robust, fun, educational, and supportive for NYC youth.

Youth Services Contracts

Now more than ever, we must ensure that youth service providers are paid well and on-time so that these essential programs can continue to support New York's youth, families and communities. Young people are experiencing a host of struggles, including rising and unmet behavioral health needs, a lack of stable housing, and a need for more supportive programs and services. In a time of heightened social and economic insecurity, it is particularly important that we invest in youth programs and that nonprofits have sustainable contracts.

The last youth service Request for Proposals (RFP) was in 2018, leaving providers with stagnant rates even as direct and indirect costs of programs continued to rise, and all before the COVID-19 pandemic upended the City's economy and the sector as a result.

Our recommendations focus on safeguarding youth and family choice and strengthening the entire youth services ecosystem. CCC urges city leaders to:

- **Design year-round SONYC and COMPASS procurements (concept papers and RFPs) that accurately reflect the cost of providing services, innovative program design and have cost escalation built in.**
- **Shift to a K-8 summer programming model that draws from the best aspects of Summer Rising and the summer camp models.**
- **Include summer programs in the 12-month contracting process to ensure funding and planning for summer are established before June.**
- **Fully fund school-based and community-based programming investments.**
- **Match cost-per-participant rates of Beacon and Cornerstone programming with school-based alternatives. Ensure these programs have rates that support implementation and support for youth and staff is essential.**

The city is on the edge of a workforce crisis since workers feel undervalued, undercompensated, and overworked. By implementing these recommendations, we give a longer runway for nonprofits to plan their programs, we ensure that providers will be paid a living wage, we show that we listen to providers experiences specifically around summer programming and Summer Rising, and we take a needed step to collaborate between agencies, nonprofits, and city government.

Early Care and Education Contracts

The City's early care and education system rolled out new contracts during the pandemic with family child care contracts coming online in the Summer of 2020 and center-based birth-to-five contracts coming online in the Summer of 2021. In the early months of the pandemic, child care centers and many family child care providers were shuttered for months. As these providers re-opened their doors and moved from hybrid to in-person services, children under five were not eligible vaccines until the spring of 2022 and many subsidy-eligible households had experienced loss of work or income with significant numbers of women being pushed out of the workforce. In turn, enrollment has suffered. In addition, contracted center-based early childhood education providers have experienced unacceptably long delays in payment for services; with the city of New York owing more than \$464 million to center based providers for FY'22 costs as of September 2022.¹

Thankfully, in response to the advocacy of CCC, our C4C partners and the leadership of Council member Josephs and other Council Members, in November of 2022 the City DOE committed to meeting contract payment parameters and paying all center-based providers no less than 75 percent of their contract value. Since this announcement was made, the city put in place a rapid response team at the DOE to work with providers to address delays in invoicing and payment. The process of catching up on payments owed for FY'22 continues, and many providers are now also concerned about delayed payments for the current FY'23. The ongoing delays in payments result not only in profound fiscal instability of centers and the system but negatively impact the workforce that is comprised primarily of women of color.

In light of the current crisis, Mayor Adams's vision to reach more children with high quality care and the commitment to the early childhood workforce cannot be realized until the city administration catches up on the millions owed for services rendered last fiscal year and ensure timely payment for the current fiscal year as well. The City must pursue system fixes that ensure timely reimbursement of services.

In order to stabilize the early childhood workforce and address pressing contract issues, we urge city leaders to:

- **Maintain rapid response team efforts to ensure catch up in payments owed for FY'22 and delays in current FY'23 payments are reduced and overcome; ensuring by the end of the current fiscal year the issue of delayed payments and payments owed are completely resolved.**
- **Continue to allow providers to batch invoices for more than one month of service for both FY'22 and FY'23 invoices. And ensure that the DOE continues to abide by the contract parameters that set reimbursement at no less than 75 percent of contract value.**
- **Eventually migrate invoicing and payment processes from the Department of Education (DOE) PreKids system to the Mayor's Office of Contract Services Passport system, which is the system used for all other city health and human service contracts.**

¹ September, 2022. "Early Childhood Education: How Much More Can Nonprofits Endure?" SeaChange. Retrieved from: [SeaChange-Research-Note-Early-Childhood-Education.pdf](https://seachange.org/research-note-early-childhood-education) (seachangepap.org)

- **Advance the next stage of early childhood education pay parity – ensuring staff left out of the initial agreement (early childhood directors and support staff in community-based organizations and preschool special education programs) are included, that longevity is factored into salary increases, and that a minimum wage floor of \$25 is established for all support staff.**
- **Move to decentralized enrollment and allow providers the option of facilitating community-based enrollment to decrease wait times for families and to enhance relationships between providers and their local communities. Moreover, hold providers harmless from enrollment penalties so long as the DOE controls enrollment.**

Thank you for the opportunity to provide testimony.



**New York City Council Committee on Contracts
Joint Oversight Hearing
Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time
January 30, 2023**

**Testimony of Ambrosia Kauai
Director of Contracts, Coalition for Asian American Children and Families**

My name is Ambrosia Kauai and I serve as the Director of Contracts at the Coalition for Asian American Children and Families (CACF). I respectfully submit this testimony on behalf of CACF for the oversight hearing on Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time held jointly by the New York City Council Committee on Contracts, Committee on Aging, and the Committee on Youth Services.

Since 1986, the Coalition for Asian American Children and Families (CACF) is the nation's only pan-Asian children and families' advocacy organization and leads the fight for improved and equitable policies, systems, funding, and services to support those in need. The Asian American Pacific Islander (AAPI) population, over 1.3 million people, comprises over 18% of New York City – the same size as the entire population of Dallas. Yet, the needs of the AAPI community are often overlooked, misunderstood, and uncounted. This means our communities and the organizations that serve them lack resources to provide critical services for those in need.

We work with 75 member organizations to identify and speak out on common challenges and needs across the AAPI community. CACF is a partner organization implementing the Communities of Color Nonprofit Stabilization Fund (CCNSF), a City Council initiative that aims to build the capacity of New York City nonprofits in recognition of the fact that organizations led by people of the community are best equipped to meet the needs of the community. We also administer the AAPI Community Fund, which supports a holistic approach to safety that aims to prevent anti-Asian hate as well as serve impacted families and communities. Through our member organizations and our community funds, CACF often supports small community-based organizations that are new to government funding and still in the process of building their infrastructure and capacity to meet the administrative burden that is implicit in these funding streams. Both CCNSF and AAPI Community Fund are supported by government funding, and our experience in helping smaller organizations build capacity to receive government funding is significant. The organizations we work with are deeply rooted within their communities, and often receive city funding through one-year discretionary contracts. While there has been changes to the city procurement and payment processes, they still remain opaque, complex, and inequitable. The issue is systemic, and we urge City Council to consider our testimony below to address the problems that continue to limit and even inhibit organizations' capacity to operate effectively.

CHALLENGES

The nonprofit sector is critical to New Yorkers and addresses community need in a way that the government cannot. Continuing to operate within a system that is consistently behind in registering contracts, requires organizations to navigate complex bureaucracy, and does not pay on time puts an unfair burden on organizations that are already stretched beyond capacity. These systematic failures are felt across the sector, but put a particular strain on smaller organizations that are in and of their communities. City funding requires immense administrative capacity and financial input (in addition to a

reimbursement model, payment of vouchers is often delayed for months or even years) from organizations, something that newer, smaller organizations are often still in the process of building.

CACF has received discretionary funding and contracted with the City of New York for nearly 10 years. In that time, we have seen significant changes to the procurement and payment process, however challenges still remain that prevent nonprofit organizations from registering contracts and being paid on time. These delays severely hinder our ability to operate securely and effectively and creates an inequitable dynamic between funders and funding recipients. Based upon the experiences of both CACF and its partner and member organizations, we support the efforts to increase transparency and streamline systems within the procurement process and urge City Council to include actionable accountability measures that extend to delays in payment, in addition to procurement.

CONSIDERATIONS AND RECOMMENDATIONS

We support:

- **Intro 0511-2022** to amend the administrative code of the city of New York, in relation to setting time limits for the procurement process, reporting on agency compliance and developing an online platform for managing procurement.
- **Intro 0514-2022** to amend the administrative code of the city of New York, in relation to a public procurement database.

We are also part of and support the JustPay coalition.

The current procurement, contracting, and payment processes are complex, lengthy, and taxing. Organizations are required to submit the same documentation multiple times across several systems and agency contacts. There are often different versions of required forms available and/or shared by agency staff and organizations must work across several platforms to register a single contract. **Centralizing all procurement and contracting activities into a single system (ideally PASSPort) would help streamline the process** and decrease the amount of administrative time spent on submitting and re-submitting the same documents.

While PASSPort does feature an award milestones section that tracks each step of the contracting process, there are no timelines associated with any of the outlined steps. Once an organization submits their documentation and approves their contract in PASSPort, it is virtually impossible to know the status of the award or when it will be registered. **Establishing reasonable and specific timelines for all processes, from procurement through closeout** and integrating them into PASSPort would not only allow organizations to monitor the progression of their contract in real time, but also proactively follow up on delays and bottlenecks and engage in better, more informed contingency planning.

In addition to integrating a timeline associated with each step, the award milestone tracker in PASSPort should include specific information about the contracting process, including the entity responsible for each step, relevant contact information for follow up, and when the last action was taken toward completing the step. The current contracting process is difficult to understand, therefore **transparency and accountability should be integrated into the system to help organizations understand and address delays.**

While we advocate for the inclusion of a mechanism for oversight that is accessible to and usable by organizations, it is imperative that any new tools or systems that are introduced do not add complexity to an already difficult process. **We recommend that any additional tools or procedures introduced to the contracting process be integrated into technology that already exists (e.g. PASSPort).** Organizations already work across at least two systems; an additional tool would add unnecessary

complexity and administrative burden, particularly when it would draw data from an already extant system that is used almost ubiquitously.

We are encouraged by the steps that Mayor Adams, Comptroller Lander, New York City Council has taken to address the backlog of unregistered contracts, however more must be done to ensure that nonprofits are **paid** for the work that has already been completed and that there are mechanisms that prevent delays in procurement, contracting, and payment moving forward. Nonprofit organizations are invaluable to New York City; we provide services residents rely on to get their healthcare, food, housing, and social services that are critical for survival. It is unacceptable to continue operating within administrative infrastructure that is systemically broken, and we will continue to advocate for change that will support all organizations across the sector.

Thank you for this opportunity to submit testimony. We look forward to working with the City Council to ensure that all New Yorkers have access to the services and support they need to thrive.



**NYC Council Committee on Youth Services Joint Hearing with the Committee on Aging
and the Committee on Contracts**

Oversight – Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on
Time
January 30, 2023

Testimony Submitted by the Committee for Hispanic Children & Families (CHCF)

Thank you to Chairs Ayala, Hudson and Won, and the Committees on Youth Services, Aging, and Contracting for the opportunity to offer testimony. My name is Danielle Demeuse and I am the Director of Policy for the Committee for Hispanic Children & Families, better known by its acronym, CHCF. CHCF is a non-profit organization with a 40-year history of combining education, capacity-building, and advocacy to strengthen the support system and continuum of learning for children and youth from birth through school-age. While our primary focus and direct services are around access to high quality, culturally responsive and sustaining early learning and school-aged education, we recognize the intersectional circumstances and experiences within the community that impact the well-being of children and their family support structures. We are committed to delivering holistically responsive services within the school and wider communities we serve above and beyond the scope of our contracts.

In a typical school year, CHCF's school-aged youth development programs provide after school programming in three Bronx schools, with a capacity to reach 550 students, and by extension their families. Further, during the summers of 2021 and 2022, we extended our services at one of our partner schools to offer Summer Rising programming in partnership with the DOE and DYCD. Our Community Empowerment and Youth Development teams consistently work together throughout the year, integrating wrap around services with our direct school-aged programs. CHCF hosts community events that offer regular communication and discussion with families, youth, and our school and community leaders about the issues and needs facing our community. Like many nonprofits, our direct service contracts offer an inroad to delivering comprehensive, wrap around services to youth, their families, and the surrounding community far beyond the scope of the contract. This ability to leverage additional resources and connect our youth and families to responsive services reflective of their needs is the value add of the city partnering and contracting with community-based organizations to deliver city services. As we know, these partnerships were critical during the pandemic, when so many were thrust into isolation and there was a tremendous need to rapidly connect with families and ensure rapid access to citywide resources.

Knowing the critical role that community-based organizations who partner with the city to deliver essential services play in our communities, it has always been crucial that the city ensure these community-based partners are stable, funded appropriately and in a timely fashion, transparently communicated with, and imbedded in decision and planning spaces. We appreciate the conversations



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that are being had within these Committees, as well as with the Committee on Education, looking at the severe contracting and payment concerns that continue to jeopardize the stability of the nonprofit sector. CHCF joins our partners in the Human Services Council in supporting the bills that are being introduced today around establishing prevailing wage requirements for city-contracted human service workers, setting time limits on the procurement process and agency compliance, developing an online platform for managing procurement and public procurement database.

One particular contracting issue that we would like to speak to that falls under the domain of the Committee on Youth Services, were some of the challenges with Summer Rising. We would like to begin by saying that this model of summer programming, which brought together academic enrichment as well as summer camp components for NYC's youth, remains a worthy investment and a true need of NYC families, beyond the initial goal of recovery from the pandemic. We know that this intervention program model was designed and invested in with the one-time federal dollars for COVID recovery, but we are hopeful that the city will identify ways to continue investing in this impactful summer programming.

That said, the first year saw lacking involvement of the community-based partners in decision making spaces and program design, and as a result there were certainly implementation issues that needn't have occurred, that long-standing service delivery partners with long-standing expertise could have supported prevention of. By the second summer, service delivery partners were proactively engaged in the year-one feedback and year-two planning process. This underscores the full scope with which city agencies should be engaging sector experts who most likely will hold these contracts in the planning process, even before the contracting process takes place, but certainly as planning and implementation continue with those awarded the contracts.

One major contracting and budgeting issue that occurred with Summer Rising was that we didn't receive our budgets until after the program was already completed. For us, it was impossible to fully plan and implement programming as effectively as possible without knowing how much we could actually spend. Budget transparency, as well as timely payments, remain an obvious and critical need for nonprofits who are often operating with thin margins. We thank the Council for introducing Int 0511, which would establish procurement timeframes that could address the longstanding procurement delays faced by the sector, including specific contracts that are notoriously late, the number of contracts, and the value of contracts that are late.

With regards to Int 0510 on establishing prevailing wage requirements, we continue to see significant challenges in attracting and retaining the necessary staff to effectively deliver programs. While we know this is an issue nationally and certainly beyond the scope of the human services sector, in this case we are unable to offer competitive wages to attract candidates, as the amount we are able to spend on staffing is held back by the contracts themselves. Government contracts often either directly set salary rates that are subpar or indirectly establish costs for a unit of service along with required staffing on the contract.





Nonprofits have long identified this injustice for our workers and named that we continued to lose staff that we had recruited and invested in the professional growth of, often to city agencies. City agencies often treated our organizations as training pools for staff with the unfair advantage of being able to offer wages that the nonprofit sector was not able to compete with due to contracting limitations set by those very same agencies. This issue was only exacerbated because of the pandemic, as every industry, including the government, struggled to fill vacancies and began competing for the same workforce. Int 0510 would allow this clearly essential sector to offer wages that compete with wages in comparable government sector and private sector positions, which would even the playing field in attracting candidates. It is crucial that these changes apply to all existing and new contracts, and the bill include funding so that this does not become an unfunded mandate. As stated earlier, involving impacted stakeholders and expert voices in the process is a must. The Comptroller, City Council, *and* human service providers must be brought together for the rulemaking and implementation to lift wages and ensure there are no unnecessary administrative burdens.

Finally, while Int 0514 would be a tremendous step towards increasing transparency of the procurement process, we join our partners at the HSC in naming that it is crucial that the development of this procurement database not create undue administrative burdens for the providers. Since providers already utilize PASSPort Public, human service providers should not be responsible for inputting additional data into this new database, but rather this should be a mandated task of the contracting agencies. Administrative burdens placed on the providers will only divert critical resources from programs and communities due to the necessary staff time and financial resources to comply.

We know that the Administration, the Comptroller's Office, and Council leaders have prioritized improvements to contracting and payment processes across all city agencies, but change is not coming soon enough in many cases. We greatly appreciate the champions on these committees for continuing to push on these matters, ensuring that we preserve, sustain, and grow our essential human service sector in NYC.

Thank you for the opportunity to present testimony for this hearing. If there are any questions about our testimony, please reach out to Danielle Demeuse, Director of Policy for the Committee for Hispanic Children & Families (CHCF) at: ddemeuse@chcfinc.org or 212-206-1090.





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I'm Steve Executive Director of Cooper Square Committee. We are a neighborhood preservation company that provides tenant counseling and organizing services, enrolls low income coops in energy efficiency programs, manages a community land trust, provides technical assistance to the East Village Independent Merchants Association, and operates an N-NORC for local seniors, all of which rely in part on discretionary funding from the City Council to sustain our staffing capacity.

I want to express our organization's support for Intro 0511-2022, which would amend the administrative code to set time limits for agencies to register contracts with service providers. As a member of several coalitions, including Stabilizing NYC, NYCCLI and an N-NORC coalition, we have observed the cash flow challenges that many organizations face in getting multiple contracts registered in a timely manner. Some organizations have had to lay off staff because they have spent more than 2 years getting funding disbursed for contracts they were awarded.

The Cooper Square Community Land Trust experienced this last year, when they had to let a staff person go because their FY21 and FY22 contracts were not yet registered. The Cooper Square Committee is still trying to resolve an issue with Passport that has prevented registration of our FY22 contract with DFTA although our FY23 contract was recently registered. It took over 6 months for our HPD funding for FY23, totaling \$295,000 FY23, to appear in the Passport system. It was in draft mode until last week, and now we are able to upload our contract documents into the system. The uncertainty around when our organizations will

get paid forces us to do contingency planning, obtain costly cash flow loans, delays hiring of new staff, and impacts service delivery to low income and vulnerable populations in our communities.

It would be ideal if the City of New York had similar contracting practices as the state of New York which typically advances 30 – 50% of the contract amount during the first 6 months of the contract period. For many emerging non-profits with limited operating reserves, such as community land trusts which the City Council has been promoting in recent years, they are not in a position to advance a year of funds for personnel while waiting to get reimbursed.

It would be helpful if the Passport system were streamlined in a similar way to the HHS Accelerator system whereby you can upload the required documents and select multiple agencies that you are sharing the documents with. Instead, one has to upload the same insurance workers comp and disability certificates, conflict of interest forms, tax affirmations, 990s, financial audits, Char 500s and other documents to each agency separately in the Passport system. Passport is a poorly designed database, and when groups upload documents, they sometimes find that the submission is rejected and it is not clear what error has caused this, so they have to contact MOCS and spend time on the phone with someone to find out where the error occurred. A more user friendly online system would speed up the registration process.

Thanks for the opportunity to share our suggestions for ways to improve the contracting and disbursement process.

Good afternoon. My name is Lew Bader and I am the Finance Director of Counseling In Schools, a community based organization providing mental health services directly to New York City School Students in 70 schools and community centers throughout the five boroughs. We currently hold contracts with the Department of Education and the Department of Youth and Community Development as well as with several other nonprofit agencies. Our services have impacted the lives of more than 250,000 students since 1986.

I would like to thank the members of the Contracts Committee, Aging Committee, and Youth Services Committee for the opportunity to testify before you today and for your leadership on issues that deeply impact human services organizations here in New York City. I would also like to thank Ms. Flores and Ms. Ford for their testimony today. I'm not sure what more there is for me to say after the three committee chairs made their opening statements, but I will try to add some context.

Counseling In Schools has an approved indirect rate but we have been told by the Office of Community Schools, a division of the Department of Education that this higher rate will not be funded. Rather, it will be paid to us out of existing contract funds, meaning that we will have to reduce the delivery of goods or services to the students we work with. I ask you, does that make sense?

Thank you for your commitment towards establishing prevailing wage requirements for city-contracted human services workers. It is imperative that this bill be fully funded. If

unfunded, this mandate will place undue hardship on human services organizations. Human services workers' wages must be comparable to wages in the government and the private sector. We have had trouble attracting and retaining employees because the Department of Education is our biggest competitor when it comes to wages. Unfortunately, the human services sector has the fifth-lowest average pay among large employing industries in New York City. Let me say that again - FIFTH LOWEST AVERAGE PAY.

Late contracting issues is another matter I would like to discuss today. We are often asked to begin work without a registered contract or an approved budget. This has forced us to dip into reserves or borrow against our line of credit. The city's delays cost us real money and jeopardize the quality of services by diverting funds away from programs to pay those high interest costs. As of today Counseling In Schools is owed more than \$1.3 million from delays attributable to contract registrations or budget approvals. 1.3 MILLION DOLLARS! To expect us to fund the city's debt is unacceptable.

I urge you to adopt these measures and ensure that they are fully funded immediately.



**Testimony of Day Care Council of New York
Before the New York City Council Committee on Contracts,
Honorable Julie Won, Chair
Committee on Youth
Honorable Althea Stevens, Chair
Committee on Aging
Honorable Crystal Hudson, Chair
Regarding Late Payments to Early Childhood Education Providers**

January 30th, 2023

Presented By Gregory Brender, Chief Policy and Innovation Officer

Thank you Chairs Won, Stevens, and Hudson, and members of the New York City Council Committees on Contracts, Youth, and Aging for convening this important hearing and for the opportunity to testify. The Day Care Council of New York (DCCNY) is the membership organization of early childhood provider organizations in New York City. DCCNY supports its member organizations and New York City's early childhood field at large through policy research and advocacy, labor relations and mediation, professional development and training for early childhood educators, directors, and staff, and referral services for parents looking to find child care. DCCNY member organizations provide early care and education at over 200 sites in neighborhoods across all five boroughs.

Most DCCNY member organizations work with contracts with the New York City Department of Education. DCCNY member organizations also provide early childhood education through privately funded programs and the Federal Office of Head Start. DCCNY member organizations operate in all five boroughs and employ over 4,000 New Yorkers, most of whom are black and brown women.

DCCNY is proud to be a leader of Campaign for Children and our recommendations are aligned with that coalition.

We are deeply disappointed to report that DOE still needs to undergo systemic reform in order to ensure that its providers are paid on time. Child care centers operating with DOE contracts are struggling to keep their doors open. Already one major provider of services to children and families made the painful decision to close their early childhood programs and many more may be forced to do the same if this crisis does not end.

On October 19th, the City Council Education Committee held an oversight hearing on the Division of Early Childhood Education focused heavily on the issues surrounding late payments. At that hearing, part of our testimony shared the results of a survey we conducted of 159 centers and Family Child Care Networks operating through FY 2022 contracts with DOE. The survey uncovered that:

- 29% of respondents had at least one unregistered contract
- Only 13.2% of respondents were able to submit an invoice through PreKids Vendor Portal for their June 2022 expenses
- 41.5% of respondents had missed payroll or delayed vendor payments due to delayed payments from DOE

We also reported on a research note using data from Checkbook NYC that SeaChange Capital released in September showing:

- A cumulative cash flow deficit of \$464 million in City contracts when comparing the funds approved to invest in early childhood education and the funds received by providers
- Nineteen organizations with a deficit of \$5 million or more
- Deficits were as high as \$35 million in individual organizations.¹

Thanks in large part to the City Council bringing attention to the issue, the Department of Education made a public commitment to:

- Pay all providers at least 75% of their negotiated contract value for FY 2022. Providers were guaranteed this level of funding in the requests for proposals which they responded to in 2019.
- Establish a rapid response team to help providers address issues with their FY 2022 invoices

DOE also took the important step of allowing providers to invoice for multiple months at the same time, although as of this testimony, that functionality has only been enabled for FY 2022 invoices.

However, these actions have not stopped the crisis. Many providers have not been paid for their full FY 2022 contract value. A recent follow-up analysis from SeaChange Capital uncovered that, based on the information publicly available in Checkbook NYC:

¹ SeaChange Capital Partners. *Early Childhood Education: How Much More Can Nonprofits Endure?* September 23, 2022
<http://gd7xi2tioeh408c7o34706rc-wpengine.netdna-ssl.com/wp-content/uploads/2022/09/SeaChange-Research-Note-Early-Childhood-Education.pdf>

- There is a \$95 million gap between what has been paid to providers for their FY 2022 contracts and the guaranteed 75% minimum of contract value
- There is a \$398.8 million gap between what has been paid to providers for FY 2022 and funds budgeted for their contracts

And this is just for FY 2022. We are now more than halfway through FY 2023 and the systems DOE uses continue to prevent providers from being paid on time

This crisis is causing:

- Missed payroll, forcing ECE committed staff members to look for new jobs or struggle to make ends meet
- Missed payments to vendors
- Missed payments for employee benefits.

The City must act immediately to fix its systems. DCCNY makes the following recommendations:

- Pay ALL providers their full contract value for FY 2022 immediately;
- Migrate invoicing and payment processes from DOE's PreKids system to MOCS' (Mayor's Office of Contract Services) Passport system, in line with other human services contracts which would simplify the process for providers;
- Pay FY 2023 invoices promptly assuring the ability for providers to bill for more than one month at a time and that the lag between invoicing and reimbursement never exceeds 30 days; and
- Hold providers harmless from enrollment penalties as long as DOE controls enrollment.

DCCNY also makes the following urgent recommendations to strengthen early childhood education in New York City.

Continue the Unfinished Work of Salary Parity

Thanks to the leadership of the City Council and Administration, the FY 2023 budget includes a \$46 million investment in bringing community-based early childhood educators closer to salary parity with their counterparts in public schools as well as a Cost-of-Living Adjustment for the human services workforce. DCCNY looks forward to working with the City Council and the administration to utilize these and other funds to ensure that the community-based early childhood workforce finally gets the parity that it deserves.

DCCNY urges the City to make the following commitments to the early childhood workforce:

- Implement longevity increases for the community-based early childhood workforce on par with increases for comparable positions in public schools.
- Adjust salaries for directors and support staff to parity with comparable positions in the Department of Education.

Implement Community-Based Enrollment

The launch of DOE's Centralized Enrollment System stripped community-based organizations of the power to process their own enrollment. This change required all families to go through DOE's Centralized Enrollment System.

Under DOE's Centralized Enrollment System, there have been significant wait times for families' applications for child care subsidies to be approved leaving vacant seats in child care centers and family child care homes and putting stressors on parents' trying to access affordable child care. Moreover, many families are weary of engaging with government agencies and feel safer with and better served by community-based organizations with whom they already have trusting relationships.

In the summer of 2021, DOE briefly allowed providers to enroll families after the CBO itself had done a complete eligibility check. This empowered CBOs to serve eligible families immediately and helped them to leverage their community relationships. However, this policy ended with the start of the school year on September 10, 2021.

Local community-based early childhood providers have strong connections to the neighborhoods they serve. DCCNY urges the City to allow community-based enrollment in contracted early childhood education programs, thus leveraging the strong existing relationships and ensuring that families are able to quickly access the child care programs in which they want to enroll their children. This strategy also gives CBOs a fair chance at meeting their contracted enrollment.

Thank you for the opportunity to testify. I am happy to answer any questions and can be reached at gbrender@dccnyinc.org

January 30th, 2023

Testimony of
Henry A. Garrido, Executive Director, District Council 37, AFSCME
Before the New York City Council Committee on Youth Services, Jointly with the
Committee on Aging and the Committee on Contracts

Good afternoon. I'm Henry Garrido, Executive Director of District Council 37, AFSCME, and I testify before you today on behalf of the city's largest labor union. DC 37 represents some of the lowest paid New Yorkers, including 20,000 human service workers. I want to take a moment to personally thank Chair Stevens, Chair Won, and Chair Hudson for leading the fighting in bringing equity and justice to a much needed sector.

I want to begin by applauding the council for its effort and commitment to improving the current wage and benefit standard for human service workers. It is a sector of workers, predominantly women of color, who have dedicated their lives to serving New Yorkers, and yet, the advancement of their wages and benefits has been neglected for decades.

Intro 510 is a good start. But we have some concerns that as it is presently constructed the bill language would obviate some of the past lessons in implementing similar efforts. Our main concerns are around three specific issues: First, we are concerned about how the wage schedules are established and the consequences of driving down union wages. I know that the intention of this bill is not to drive down the wage standards for these workers, but how will the prevailing wage and supplemental benefit cost be determined? Data shows that human service workers who are represented by a reputable labor union have better wages and benefits than their non-union counterparts. Union workers gain power and a seat at the table when they have a collective bargaining agreement. Although we have been able to negotiate higher standards for our workers, union density within the industry is still too low, making the average wages and benefits inadequate to become the prevailing standard. Carving out collective bargaining agreements will allow our members to continue to negotiate better standards for

themselves. Essentially, we believe that wages that would be outlined under Intro 510 should be floor and not a ceiling.

Secondly, we are concerned about the how supplemental benefits are determined. In the past, the supplemental benefits for prevailing wage have mimicked the prevailing wages set under provisions of Section 220 of the current NYS Law. Generally, through a survey of benefits providers by existing employers. The wages of many of the HHS workers are so low that many are not taking the employer provided benefits but rather are applying to Medicaid. Sometimes, the co-pays and premiums are so high that many of the workers do not opt into any benefits provided by the employer. Under the current system of surveys the value of providing healthcare to those workers by the vendors would be \$0, therefore lowering the average supplemental benefits to an impossible low number. With the cost of healthcare skyrocketing every year, we all know that system needs to change if we are going to improve the lives of the workers.

Thirdly, we are also concerned that even when our union is able to negotiate higher wages and benefits to address issues of recruitment and retention, the City does not provide the funding, making it an unfunded liability.

Lastly, the language on this bill as it refers to enforcement language or implementation oversight needs to be strengthened significantly. The vendors can't be allowed to self certified compliance without the intervention of the New York City Comptroller's Office. If the objective of this bill is to uplift human service workers, provide them with equitable wages and benefits, and hold employers accountable, then we must include oversight from the NYC Comptroller's office. The bill should also include potential penalties for perennial violators, but not limited to, auditing power and financial penalties for employers who steal from workers and disregard the law. Such penalties should include disqualification from future bids under Procurement Policy Board Rules and debarment.

Thank you for your time, as I previously stated, I commend this Council for taking this on. Please add my testimony to the record of today's hearing. I am available for questions.

Testimony of Educational Alliance, Inc.
Before the New York City Council Joint Committee
Oversight: Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time
Hon. Althea Stevens, Chair, Committee on Youth Services
Hon. Crystal Hudson, Chair, Committee on Aging
Hon. Julie Won, Chair, Committee on Contracts

January 30, 2023

Thank you Chair Hudson, Chair Stevens, and Chair Won and members of the Aging Committee, Youth Services Committee, and Contracts Committees for this opportunity to testify today.

My name is Elizabeth Bird and I am the Director of Public Policy at Educational Alliance.

For more than 130 years, Educational Alliance has brought together and partnered with diverse communities in Lower Manhattan, offering individuals and families high-quality, multi-generational programs and services that enhance their well-being and socioeconomic opportunities. We currently hold contracts with city agencies DFTA, DOE, DOHMH, and DYCD, DCLA for services we provide for New Yorkers throughout their lifespan - from our early childhood programs to our older adult centers and NORC, we are truly a New York City institution with a long and strong track record of excellent service delivery.

Last year, Educational Alliance was represented on the Joint Task Force to Get Nonprofits Paid on Time by our former CEO; many of the challenges our organization experiences with City contracting are reflected in the recommendations included in the Joint Task Force's [report](#). We were encouraged by the release of these recommendations last year, and applaud the recent creation of the Mayor's Office of Nonprofits which we hope will elevate and advance the priorities of the nonprofit human services sector citywide.

Today, we urge the City to recommit to achieving the other goals established by the Joint Task Force, particularly those related to **establishing timeframes for each stage of the contracting process, holding City agencies accountable for their own performance, and streamlining procurement and contract registration processes**. Many of these priorities would be addressed in Int. 511.

To further illustrate the need for these reforms, I would like to share some of Educational Alliance's experiences with City contracts along with feedback on Intro 510.

Payment delays

To survive as an organization doing business with the City requires significant general operating funds to maintain solvency in the inevitable event of delayed payments from the City. The routine nature of these delays has forced a pattern to develop, wherein nonprofit organizations must rely on private philanthropy or loans to cover expenses while waiting for City contracted funds to come through. For their part, agency heads and elected officials are never held accountable or required to justify or account for this opaque use of private capital in public service. To illustrate the extent of this issue and how it impacts our operating budget, in the last few years, **excessive contract delays have required us**

You belong here.

float as much as \$4.5 million over the course of a single year to cover payroll and expenses while waiting for payment from the City.

This strain is an extraordinary and unsustainable cost for any organization, but the harm extends beyond our ability to provide services and impacts the broader economy as well. While Educational Alliance typically pays our vendors every 30 days, delays with City contracts sometimes force us to push out payments to our vendors, sometimes by as much as 45 or 60 days. The City's dysfunction in contracting places downward pressure on local communities, harming the vendors, small businesses and local economies so critical to revitalizing our City.

PASSPort and HHS Accelerator

As this Council considers reforms to the procurement and contracting process, it is critical that a central goal is to ease administrative burden on nonprofit providers and provide a more human-centered process. PASSPort, intended as a platform to streamline procurement, has significant gaps that actually increase administrative burden on providers.

PASSPort is cumbersome to use and requires constant administrative attention to ensure our compliance requirements are being met. Documentation requirements vary for each agency contract and providers must submit slightly different versions of the same document for each agency contract we hold. Additionally, not all City agencies use PASSPort, or only partially use it, and many of our executed contracts are not uploaded to the portal.

If PASSPort appears to show incorrect or out of date information, there is not a reliable support system we can turn to with questions or problems with the platform itself. Customer service is minimal and there is no publicized helpline or option to discuss a technical issue or problem over the phone; email signatures do not include a phone number. As vendors, we are simply told that procurement queries will be responded to within 48 hours and advised in no uncertain terms that multiple email messages will not be tolerated.

HHS Accelerator is similarly cumbersome to use; the fact that it is disconnected from the PASSPort interface is a missed opportunity to streamline the procurement/contracting process and provide greater transparency to non-profit providers. The systems for managing procurement, contracts, budgets and invoicing should be fully integrated with a clear timeline of benchmarks for each step of the process, and indicators for required next steps or any upcoming due dates or expiration dates. Instead, these systems are separate which often keeps us in the dark about the status of our contracts, payments, and requests for budget modifications.

As a provider, our staff must be vigilant about monitoring the procurement process and prepared to provide rapid responses to any questions or documentation needs in the contracting process. Some procurement documents we provide expire after three months, so when the City is delayed in executing a contract, we must resubmit materials – or face additional delays. In addition, if our operating certificates or licenses expire, they must be renewed before we can submit invoices for payment, even if the services were already provided under a valid license.

Educational Alliance is an organization large enough to have personnel largely dedicated to navigating the complexities of our government procurements and monitoring contract payments. But this work is not without its pitfalls – the procurement staff within some City agencies can be condescending and unresponsive. **Difficult human interactions make the already complex task of navigating a convoluted system even more stressful.**

While more training or a technical assistance fund might be helpful -- as recommended by the Joint Task Force -- **we strongly suggest that the City begin by taking a human-centered approach to its own technical support protocols,** prioritizing positive customer service responses, and offering service providers multiple ways to engage with and ask questions related to procurement and contracting. If we are truly partners in the delivering services to New York City's most vulnerable, the City must disrupt the stressful and hostile environment it creates for our administrative staff.

Budget modification

The cumbersome budget modification process illustrates how little confidence the City has in its nonprofit human services providers, though many of us are long-standing institutions within our communities and have continuously served New York's most vulnerable for decades. Even **simple requests to modify our budget result in extreme delays**, sometimes only to be denied. For example, last year we requested the ability to adjust some of our budget lines in order to pay direct service staff a higher, more competitive wage. This was not a request for additional funding -- only a request to use our contracted funds in a different way, for the purpose of staff recruitment and retention in a uniquely challenging hiring landscape. After months of waiting, the budget modification request was denied.

Because we hold contracts with five City agencies, we are regularly audited for multiple contracts and by multiple agencies at the same time. **The auditing process is costly and requires extensive staff time** for gathering, formatting, and submitting required documents to share with auditors and respond to their questions and findings. Rather than contributing to continuous improvement however, the auditing process has not led to meaningful process changes and consumes enormous staff time.

As we seek to expand the services we provide to the community -- especially now as the neighborhoods of the Lower East Side and Chinatown recover from the pandemic -- we have to think twice about whether we can afford to pursue new contracts with the City.

Intro 510 and 511

I will now turn my attention to Intro 0510.

Int. 510. Educational Alliance is very grateful to the Council for its commitment to establishing prevailing wage requirements for City-contracted human service workers. However, to protect against this legislation becoming an unfunded mandate on human services providers, we urge the Council to make clear that **this legislation represents a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts.**

We further recommend that the Mayor's Office of Contract Services or the new Mayor's Office of Nonprofits along with the City Comptroller, City Council, and non-profit human services providers be

convened for rulemaking and implementation to lift wages and prevent unnecessary administrative burden.

Thank you for the opportunity to testify today.



Fifth Avenue Committee
Our Community. Our Future.



neighbors
helping
neighbors

an affiliate of Fifth Avenue Committee

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January 30, 2023

Fifth Avenue Committee is dedicated to advancing economic, social, and racial justice in New York City through integrated, community-centered affordable housing, grassroots organizing, policy advocacy, and transformative education, training, and services that build the power to shape our community's future. Neighbors Helping Neighbors is an affiliate of Fifth Avenue Committee.

Testimony Concerning:

Oversight - Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time
January 30th, 2023

Presented Before:

Joint Committees on Aging, Youth Services, and Contracts
NYC Council Committee on Youth Services Chair Althea Stevens
NYC Council Committee on Contracts Chair Julie Won
NYC Council Committee on Aging Chair Crystal Hudson
NYC Council Speaker Adrienne Adams

Presented By:

Bora Lee
Chief of Staff
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Fifth Avenue Committee
Our Community. Our Future.



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My name is Bora Lee and I'm the Chief of Staff at Fifth Avenue Committee. Thank you to Chairwomen Won, Stevens and Hudson for your leadership. Fifth Avenue Committee is dedicated to advancing economic, social, and racial justice in New York City through integrated, community-centered affordable housing, grassroots organizing, policy advocacy, and transformative education, training, and services that build the power to shape our community's future.

As Chairwoman Won shared earlier, many organizations have not received payment from FY21. We are one of them. We are still waiting for about \$30,000. We have not receive funds for FY22 and definitely not FY23. We are just registering FY23 contracts right now, more than halfway through the fiscal year. The problem isn't understanding the RFP better but the process within the city to get contracts registered. For one of our affiliate organizations, we haven't even received communications regarding our FY23 discretionary contracts. These contracts are critical for Fifth Avenue Committee and our affiliate Neighbors Helping Neighbors. We're more than halfway through FY23 and we don't anticipate being able to voucher for them until FY24 or even FY25 We're talking about roughly \$542,000. We have increased our internal capacity with a FT and recently a PT contract manager but despite that, we are at the mercy of the process within the city with not much transparency. This affects our work, in particular the work of several coalitions we're members of, especially Stabilizing NYC, which was created by the Council, is made up of 20 organizations citywide, to combat harassment, evictions and the loss of affordable housing at the hands of predatory equity investors, which is critical. It is imperative that we have the resources we need to do good work to help this City's residents, our fellow neighbors, to live with dignity and respect.

My recommendations have been echoed by all the council members. I do want to emphasize 1) making adjustments that increase amounts to reflect inflation because the rates have not changed in years and 2) registering discretionary contracts sooner, 3) as comptroller lander shared, it takes an average 300 days. That's not acceptable. That needs to change. Centering equity in the center, it is imperative that nonprofits get registered on time and paid on time. And 4) for a better FY24, **there needs to be an on-going review of the procurement steps to identify and fix bottlenecks and redundancies in both the staggering and confusing amount of paperwork required and the process which the paperwork is reviewed by various agencies**
Thank you.

Submitted Virtual Testimony of Good Shepherd Services
Before the New York City Council Joint Meeting of the Committees on Contracts, Youth
Services and Aging

Submitted by
**Nickesha Francis, Policy and Advocacy Manager in the Government and
Community Relations**
Good Shepherd Services

January 30, 2023

Thank you, Chair Julie Won, Chair Althea Stevens and CM Crystal Hudson and the Members of the Contracts, Youth Services and Aging Committee for the opportunity to testify.

My name is Nickesha Francis, and I am the Policy and Advocacy Manager at Good Shepherd Services.

Guided by social and racial justice, Good Shepherd Services (GSS) partners and grows with communities so that all NYC children, youth, and families succeed and thrive. We provide quality, effective services that deepen connections between family members, within schools, and among neighbors. We work closely with community leaders to advocate, both locally and nationally, on behalf of our participants to make New York City a better place to live and work.

I want to thank the Council for the role you have played in securing investments to support the human services workforce including the two workforce enhancement we have received in the last two fiscal years. As a former member of the Non Profit Resiliency Committee (under the De Blasio Administration), GSS has been a steadfast advocate for the indirect cost rate initiative, workforce enhancements and the Cost of Living Adjustments (COLA) that support the lowest paid front-line positions. GSS has also worked tirelessly to improve the human services contracting process and is looking forward to working with the newly established Office of Nonprofit Services.

My testimony today will focus on the need to improve the procurement relationship between nonprofits and government.

NonProfits continue to experience delays in registering contracts and receiving payments. This is particularly an issue with some of our New York City Department of Education contracts that can take up to one year to register. While some progress has been made with PASSport and the Indirect Cost Rate Manual, there is still a need to streamline the process for non profit providers to avoid the additional administrative burden that comes from uploading the same documents for each contract over and over

again. Fixing this in the system, will allow contracts to be registered in a more timely manner and allow the City to pay nonprofits on time.

Child Welfare agencies are experiencing a staffing crisis and are reporting over 40% turnover rates. Some of the key factors driving these high turnover rate include the inability to work remotely, burn out and lack of competitive salaries. Many of our residential care workers must hold two jobs to support their families. There is a non-existent salary parity between the New York City Administration of Children Services and nonprofit provider agency staff. City contracts must allow agencies to pay a livable and equitable wage to staff and any attempts to address wage increases need the City's financial backing to avoid agencies taking on unfunded mandates.

Lastly, the City needs to address gaps the American Rescue Plan (ARPA) stimulus dollars will have in key programs areas that will end in 2024 especially, in the Learning to Work, Community Schools and Student Success Centers work streams and ensure that youth, families, and communities across NYC are consulted before cuts are made to ensure essential programs, especially those in communities most impacted by COVID-19, are held harmless.

Thank you again for the opportunity to testify. I can answer any questions you may have at this time.



Greenwich House

Testimony before the New York City Council
Committee on Contracts
Jointly with the Committee on Aging and Committee on Youth Services
January 30, 2023

Laura Langner
Chief Health and Human Services Officer
Greenwich House
www.greenwichhouse.org

My name is Laura Langner and I am the Chief Health and Human Services Officer at Greenwich House. Thank you to Chair Won, Chair Hudson, Chair Stevens, and fellow Council Members for this opportunity to testify.

Since Greenwich House was founded 120 years ago, we have been committed to addressing the needs of New Yorkers of all ages through arts and education programs, health services, and older adult services.

Many Greenwich House employees are frontline human service workers, delivering mental health and substance use programming, services for older adults, and workforce programs. Despite these frontline employees doing incredibly important and challenging work, the human services sector has the fifth-lowest average pay among large employing industries in the city.

We thank Council Member Stevens for introducing this legislation to establish prevailing wage requirements for city-contracted human services workers. But it is imperative that there is appropriate funding for this bill. There must be a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts so that this bill does not become an unfunded mandate.

As a result of low wages for human service workers, workforce retention has become very difficult for providers like us. When staff resign, they tell us the number one reason they are leaving is because of salary. As a nonprofit, our wage scale is tied to city and state contracts, and the hands of human services nonprofits like us are tied.

The government contracts we rely on either directly set low salary levels, or do so indirectly by establishing low rates for services along with required staffing levels on a contract. And salaries are often stagnant because these contracts last at least five years.

As a result, we struggle to engage staff to join us and stay long term, which in turn makes work life more stressful for current staff. If we cannot retain our workforce, it is not only our staff, but the people we serve who suffer.

The need for mental health services has exploded as the number of people reporting anxiety, depression, suicidal ideation, and substance use has substantially increased over the past few years. With staff at capacity, we can't provide much needed additional services when we can barely stay afloat. Currently, our programs have waiting lists because there are not enough clinicians to meet demand.

We are grateful for recent cost of living adjustments made by the city to begin to address these issues. Unfortunately, the economic reality we face has made it necessary for an even greater investment.

Greenwich House applauds the City Council for continuing to work to address the need to establish adequate compensation for human service workers. Fairly funding nonprofits so we can pay human service workers a prevailing wage will enable providers like us to deliver the quality services our communities need.

Thank you, again, for this opportunity to testify.



HOMELESS SERVICES UNITED

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Testimony of Homeless Services United before the New York City Council Committees on Contracts, Youth Services and, Aging

Nonprofit Contracting and Prevailing Wages

January 30, 2023

My name is Catherine Trapani, and I am the Executive Director of Homeless Services United (HSU). HSU is a coalition of approximately 50 non-profit agencies serving homeless and at-risk adults and families in New York City. Each day, HSU member programs work with thousands of homeless families and individuals, preventing shelter entry whenever possible and working to end homelessness through counseling, social services, health care, legal services, and public benefits assistance, among many other supports.

Thank you for holding this important hearing. Nonprofit organizations are the backbone of the City's social safety net. Mission driven nonprofits like those in HSU's membership have pioneered programs such as safe havens, shelters with integrated mental health programs, rapid rehousing centers and, other models that support people experiencing homelessness and help them achieve housing stability. The need for our services is greater than ever given the influx of asylum seekers and the expiration of COVID era eviction protections. Our sector has been steadfast in our commitment to ensure that every New Yorker, including the newest arrivals, is able to access a safe place to stay and receive services that help them to successfully transition to permanency.

The fact is that without nonprofit service providers, New York City would be unable to uphold its legal obligation to provide shelter to every individual and family who needs it. For this reason, it is critically important that these nonprofits can rely upon the City to provide the necessary funding and support to do this work to the standard that our clients deserve.

We need the City to treat us as true partners – groups who have relevant expertise to inform program design and implementation. We also need to be able to rely upon the City to pay on time and in full so we can be confident that we have the financial resources to support our programs and operations. I would like to sincerely thank the City Council for recognizing this and elevating these critical issues and for being a champion of our workforce and sector.

Wages for human services workers

The City needs to fund nonprofits to pay wages that are commensurate with the work our staff is doing to support our clients. The workers at our members programs are truly essential. It's not just a hashtag that we can abandon when it's inconvenient. These are the people that are canvassing the streets during cold weather emergencies making sure that people don't freeze to death. They are the people that drive the vans to the shelters and the people that welcome the person in from the cold providing clean linens,

a meal and a place to rest. They are the case managers and housing specialists who help secure benefits and homes. They are the social workers we rely upon to help heal the invisible wounds our clients carry.

Our staff deserve to be paid wages that are fair and livable. As things stand now, turnover is extraordinarily high because people simply cannot survive on the wages government sets. This causes instability and gaps in services for our clients. Some programs report a turnover rate as high as 50% - they are constantly recruiting and training which means there are limited resources for innovation and perfecting practice. Some of our staff are even experiencing homelessness themselves.

The fact is that DHS pays its own staff performing substantially similar functions more for the same work and refuses to pay nonprofits the same rates. Caseworkers at DHS earn more than \$47,000¹ a year to start whereas nonprofit caseworkers start in the low \$30,000s. DHS also offers a comprehensive benefits package with a fringe rate of nearly 50% while they cap nonprofit fringe rate at 26%. There is simply no reason for these disparities to exist.

Nonprofits have tried to negotiate increases and advocate fiercely for COLAs and other investments, but those efforts have resulted in half measures of paltry COLAs insufficient to cover inflation, retention incentive promises that we are still waiting for approval to pay out and limited adjustments to budgets. There have also been legislative efforts to parse out specific titles, like security guards for wage increases but those have been difficult to implement and fund. The prevailing wage mandate for shelter security guards went into effect in May of last year and many nonprofits have still not received funding to implement it.

We need a better solution. One that establishes a wage scale that is not simply based on an already too low industry average. Rather the scale should at minimum establish parity with government counterparts. We need a scale that features appropriately stepped increases to create wage ladders for progressively responsible positions and a scale that recognizes and rewards those with rich experience or specialized skills like foreign language fluency or social work licensure. The scale would also have to be indexed to ensure that as the landscape changes and costs increase, workers automatically receive cost of living increases to avoid a scenario where wages stagnate, and the utility of the scale is diminished over time. There also need to be clear guidelines on how to assign titles and functional equivalents to ensure it is clear to both staff and providers alike on the appropriate rate of pay. Finally, **nonprofits must be able to set composite fringe rates that match actual costs so that any increase in salary is not cannibalized by high employee healthcare contributions given the City's current rule that cap fringe rate reimbursement.**

We also need to ensure that the funding is in place to pay for this scale not on an arbitrary "effective date" in the law but on the date that the contract or renewal is registered, and funding is available for the nonprofit to draw down. Finally, there needs to be ample support and training to implement the policy across the sector.

It may or may not be possible to achieve all of these goals legislatively with Intro 510 but, we are committed to working with our partners at the City Council, the Comptroller's Office and City Hall and its agencies to get there.

¹ <https://www.seethroughny.net/payrolls>

Timely payment

I would also like to address the other major barrier to nonprofit success: timely payment.

The City has long lagged on its commitment to timely contracting. The Department of Homeless Services is one of the worst performing agencies in terms of timely contracting and payment. While things have improved in recent years, notably with the clearing the backlog initiative spearheaded by Mayor Adams and Comptroller Lander, **DHS still owes tens of millions of dollars' worth of amendments to nonprofit providers for everything from prevailing wages for shelter security guards, other workforce enhancements and, monies for new and expanded services to meet the demands of COVID and more recently asylum seekers in hotels and other annex locations.** Intro 511 recognizes these pain points and calls for the City to establish and adhere to timelines to make the process more predictable and easier to manage to. This is a potentially good step towards a more rational system that can be accountable to nonprofit providers.

I do want to flag that registration is not the full story. The City also continues to set up barriers to timely payment in the form of redundant processes to receive approvals necessary to unlock funds for subcontractors providing critical services like food, maintenance and security as well as multiple layers of approval prior to paying invoices for services rendered even after a contract is registered. We have much more work to do to establish procedures that optimize cash flow while maintaining appropriate oversight of programs. It is our hope that the Mayor's Office for Nonprofit Services to address these issues and would welcome the Council's support as well.

We also appreciate the Council's calling for increased transparency of the procurement process via Intro 514 however, it is crucial that the development of this procurement database does not create administrative burdens for the providers. The City utilizes tools like PASSPort Public that can be optimized to serve the purpose outlined in the bill; human services organizations should not be responsible for inputting data into this new public procurement database. Rather, contracting agencies should be responsible to support the database and that would achieve the goals outlined in the legislation. Providers already face many administrative burdens as they navigate multiple systems and spend staff time and financial resources to comply with various mandates. Administrative burdens divert resources from programs and communities, so it is critical that this bill mandates government to be responsible for this procurement database and own the responsibility of government accountability and transparency instead of shifting that obligation to providers.

Thank you for the opportunity to testify. Should you have any questions please feel free to contact me at ctrapani@hsunited.org.



TESTIMONY

**New York City Council Committees on Aging, Contracts and Youth Services
Oversight Hearing on Nonprofit Contracting and the Joint Task Force
to Get Nonprofits Paid on Time.
January 30, 2023**

Submitted by:
Na'ilah Amaru
Director of Policy and Campaigns
Human Services Council of New York

Introduction

Good afternoon, Chairs Hudson, Won, and Stevens, and members of the New York City Council Committees on Aging, Contracts, and Youth Services. My name is Na'ilah Amaru, and I am the Director of Policy and Campaigns at the Human Services Council (HSC), a membership organization representing over 170 human services providers in New York City. HSC serves our membership as a coordinating body, advocate, and intermediary between the human services sector and government. We take on this work so that our members can focus on running their organizations and providing critical direct support to New Yorkers. These are the nonprofits that support our City's children, seniors, those experiencing homelessness, 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 strive to 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.

Nonprofit human services organizations play a significant and longstanding role in building and supporting the wellbeing of New Yorkers, enabling millions of people to contribute to their communities as students, parents, neighbors, and workers. They train and help keep workers in good jobs, provide early childhood education and after-school programs, run food pantries, respond to emergencies and natural disasters, provide mental health counseling, support asylum seekers, shelter people experiencing homelessness, and care for the elderly, among many other community services. City government reliance on the nonprofit human services sector for a broad range of vital public services has steadily grown over at least the past three decades. During that time total New York City employment in the core social assistance sector doubled, increasing more than two-and-a-half times as fast as total private sector employment. However, human service workers make between 20-35 percent less in median annual wages and benefits than workers in comparable positions in the public and private sector.

Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time

The Joint Task Force to Get Nonprofits Paid on Time demonstrated a real commitment by the Mayor and Comptroller to come together to address the procurement challenges that nonprofits face. By bringing together nonprofits, city agencies, oversight agencies, and funders, the Taskforce developed the Clear the Backlog Initiative to unlock more than \$4.2 billion in allocated contractual dollars. This demonstrates the Administration's commitment to prompt payment as according to SeaChange Capital Partners' analysis of PASSPort Public data, contract registration in the current Administration has improved compared to the prior Administration. Seventy percent of new FY23 contracts were registered compared to 31% of FY22 contracts at the same time last year.¹

We also thank the Administration for implementing the allowance clause to eliminate the administrative burden of processing amendments for budget increases. The allowance clause has supported the reduction of contract delays and creating a more efficient process so that providers can get paid on time. We look forward to what other initiatives the Task Force will take on to transform the procurement process.

At the same time, providers still report delays in contract registration and payment and the years of backlog have taken a toll on nonprofits cash flow, credit, and overall fiscal health. Much more needs to be done to advance the recommendations in the Joint Taskforce report, and to codify changes in practice so that the good work already underway continues. Providers have seen changes before, but when there is a change in Administration, in staffing at agencies, or any emergency that pulls the City's focus, all the "good practices" fall by the wayside, so legislation and policy changes are necessary.

Support for Int 510

HSC supports Int 510 to establish prevailing wage requirements for city-contract human services workers. Government is not just the predominant funder of human services, but is also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. Government contracting practices have created an intolerable situation of extreme pay disparities and racial and gender inequities as women of color constitute 55 percent of this workforce. Salaries start low and often remain stagnant because human services contracts last five to seven years (or more) with no opportunity for cost-escalators to allow for rising salaries. Similarly, cost-of-living adjustments (COLAs) to keep up with inflation are not standardized and requires the sector to advocate for year after year. A COLA is not permanent solution to closing the gap in pay and compensating workers for years of underfunding. This results in increased staff turnover as underpaid staff leave nonprofits for better paying jobs in government or the private sector, depriving New Yorkers of services from the most experienced, well-trained staff and jeopardizing high-quality services.

During the pandemic, human services workers were at the frontline risking their lives to support their communities and faced increased need for services even when they did not have the resources to do so. Currently, providers are serving people seeking asylum and other reasons for migration in which 96% of organizations consulted by HSC reported providing services to people seeking asylum entirely or partially out of pocket. Forty percent reported that a

¹ (MacIntosh, 2023)

government entity (predominantly Mayoral offices and City agencies) asked them to provide services for people seeking asylum. Providers are over capacity and straining to meet existing needs, especially after prior enforcement policies, concurrent COVID-19 recovery, and overall migration trends. And yet, human services organizations continue to help the City try to meet the reputation its leaders boast: a sanctuary for oppressed people here and abroad.

It is imperative that Int 510 is fully funded and puts a mandate on government to provide additional funding in contracts dedicated to paying a prevailing wage so that providers are not asked to move around funds in their budgets. Solicitations should include job titles, classification and salaries for key staff and in budget documents. For example, NYC Aging's Case Management RFP requires higher salaries for key staff, but the budget provided is not enough to support this requirement and puts a 33% cap on fringe. Thus, an independent body must be convened to certify that there is adequate funding in contracts committed to paying a prevailing wage so that resources are not taken away from programs. It is also crucial that during the rulemaking process, the wage and benefit schedule does not codify poverty wages, but lifts wages comparable to government and the private sector. This includes extensive research and documentation on job titles, classification, and wages according to various factors such as education, experience, and hardship. For example, DFTA's Older Adult Centers and Naturally Occurring Retirement Communities Supportive Service Programs RFP listed recommended salaries in which a case manager would only receive \$34,000 and a social worker only \$36,000. This has created a system where there is no money to keep up with the demand for services or holistically raise wages across all staff lines without increased funding. The low salaries perpetuate pay disparities, which have important consequences for race and gender equity. We understand that prevailing wage legislation will require nonprofits to eventually achieve pay parity for all staff, whether they are city-contracted or not; however, a prevailing wage is overdue and much needed for the essential workers who provide lifesaving services for their communities.

Support for Int 511

HSC supports setting time limits for the procurement process, reporting on agency compliance, and developing an online platform for managing procurement. We thank the City Council for their commitment to procurement reform and prompt contracting as chronic delays in the process force providers to undertake costly borrowing to make payroll and rents, often accruing interest not covered by government contracts. According to SeaChange Capital Partner's analysis of PASSPort Public data, nonprofits encountered \$309 million for work they have done prior to registration.² Registration delays can be financially ruinous, as services are expected to begin on the first day of a contract, even if the contract has not yet been registered by the relevant agency.

A report on agency compliance is an important step to measure agency accountability to prompt contracting procedures. For too long nonprofits have incurred substantial costs for service delivery before they have a legal right to be paid and are often forced to borrow to meet payroll. Interest payments on such borrowings are not reimbursable, except in rare cases, and must therefore be paid from reserves already stretched to the breaking point. And that assumes that an organization can find a willing lender. According to a survey of HSC members, in 2020, nearly 46% of respondents were forced to take out loans or draw on a line of credit due to withheld or

² (MacIntosh, 2023)

delayed payments – sometimes at significant cost. The average annual cost of interest on interest-bearing loans is reported as \$223,000.³ By developing time limits for the procurement process, it would ease the financial burden on nonprofits by accelerating current contract registration and payment.

Support for Int 514

HSC supports the establishment of a public procurement database, which will promote transparency and increase competitiveness in public procurement. By creating a searchable database, it will hold contracting agencies accountable to prompt contracting and display detailed information about procurement timelines and the contracting process. However, because the City currently uses PASSPort and allows the public to search for procurement data in PASSPort Public, it is essential that government mandates contracting agencies to support this database and nonprofits are not required to put any more additional administrative resources into this. Nonprofits already devote hours of staff time and resources in complying with multiple digital platforms and should not have to cope with another system. The multiple redundant systems take away from the valuable and limited resources that nonprofits have, which could be better used for their programs.

Conclusion

City-contracted human services workers were thrown onto the frontlines of a global health crisis and are now assisting those seeking asylum with little to no resources. It is time to step up for them and show that their labor is valued not by empty words but by ensuring that they no longer get paid poverty wages under city contracts. City agencies are not getting a deal by chronically underfunding and retroactively cutting human services contracts to balance the budget; it is further harming the low wage workers the City relies on to keep these programs running while pushing community-rooted nonprofits into failure during a time of increased need. A fully funded government-mandated prevailing wage is fundamental to supporting our workforce and procurement legislation that tackles delays in the procurement process and promotes transparency and accountability is key to ensure that nonprofits are paid on time.

Thank you for providing me with this opportunity to testify. We greatly value our partnership with you and the City Council and know you stand with us in our call to support the human services sector.

Na'ilah Amaru, Director of Policy and Campaigns
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³ (Human Services Council, 2021)



**Committee on Youth Services jointly with the Committee on
Aging and the Committee on Contracts**

**Oversight: Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time
January 30, 2023**

Thank you Chairs Stevens, Hudson and Won, and members of the Contracts Committee, Aging Committee, and Youth Services Committee for the opportunity to submit testimony for today's oversight hearing on Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time. JASA welcomes today's hearing as an opportunity to share our experience and perspective on issues that deeply impact human services organizations in New York.

JASA is the go-to agency serving older adults in New York City, providing critical services to over 40,000 people annually. Founded 50+ years ago, JASA is a leading expert and innovator in aging services that recognizes the diversity among the aging population and honors older adults as vital members of society. JASA's life-changing support services, interventions and partnerships promote aging with a purpose and provide autonomy for older adults to remain in their homes and communities. JASA operates ten affordable housing properties, is a licensed home care agency and offers a breadth of integrative services citywide spanning free legal services, health and mental health services, home-delivered meals, social programming at senior centers and community trainings on elder abuse, peer health support, caregiver assistance and more. Nearly all of JASA's services are linked to New York City contracts, predominantly with NYC Aging and HRA.

JASA is very appreciative of the funding included in the FY23 budget, which was a first step in addressing the human services workforce challenges. The hearing today is an effort to get to the root of the problems facing the sector. JASA is an active member of the Human Services Council (HSC) and a supporter of the #JustPay campaign. The campaign is committed to paying fair wages to human services workers under contract with New York City and State for their labor. Each year you hear from providers who are struggling due to the crisis of compounding underfunding of the human services sector

as City budgets are balanced on the backs of low-income neighborhoods and BIPOC communities. This practice has resulted in poverty-level wages for human services workers, who according to HSC are predominantly women (66%) and people of color (68%).

JASA commends Chair Stevens and members of the NY City Council for supporting the sector and for introducing Int. 510, which aims to create meaningful wage adjustments for our workforce. Government is not just the predominant funder of human services, but is also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. The Human services workers' wages need to be comparable to wages in government and the private sector in order to attract and retain workers. As it stands, the human services sector has the fifth-lowest average pay among large employing industries in the city. JASA currently has nearly 100 open positions, many of which have been vacant for nearly a year. Some JASA staff are taking on additional responsibilities to ensure that critical services are maintained despite workforce shortages. For example, some staff are driving delivery routes for home delivered meals in addition to their other responsibilities due to a lack of drivers. JASA is not alone in this struggle; it is taking a toll of staff who are overworked and under compensated and is impacting clients and providers alike.

JASA believes Int. 510 is well intended and has the potential to positively impact the collective ability to retain incredible staff, and attract new hires to the human services workforce. However, there must be a mandate on City agencies to pay a prevailing wage on all existing and new contracts with funding so that this bill does not become an unfunded mandate. Without adequate funding in place to implement the legislation, non profit providers will bear the financial burden of implementation.

Today's hearing also seeks to address the ongoing challenge of paying nonprofits in a timely fashion. Late payments and unregistered contracts have long been a problem for the sector. Although the City is making some headway in resolving this issue, it is not moving fast enough for many of the non profit organizations who need to pay staff, rent, and cover the costs associated with program operations. The lack of fully staffed NYC agencies has directly impacted the speed at which providers are paid, not to mention the direct impact on clients awaiting service. In one instance, JASA is awaiting payment of a significant balance as a result of a failure at a City agency to update service authorizations in the system. Without the necessary updates, many claims are being denied. In some cases, the backlog results in JASA's inability to bill the New York State funder. As the City focuses on the FY24 budget, there is a need to ensure that any cost saving efforts are not at the expense of the nonprofit providers nor the vulnerable New Yorkers that they serve.

Thank you for the opportunity to offer this testimony. JASA looks forward to working with the City Council, and the Administration, as a valued partner in collectively addressing these concerns.

Molly Krakowski
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Committee on Youth Services jointly with the Committee on Aging and the Committee on Contracts

TOPIC: Int 0520-2022: A Local Law to amend the administrative code of the city of New York, in relation to establishing prevailing wage requirements for city-contracted human service workers.

Monday, January 30, 2023

Testimony by

Amiee Abusch, Senior Vice President of Foster Care, Prevention, and Community Partnership

Good morning members of the Committee on Youth Services, Committee on Aging, and Committee on Contracts. Thank you for allowing me to testify about the Prevailing Wage Bill on behalf of JCCA. The bill is a great step forward in ensuring that our frontline workers are paid a living wage that keeps them out of poverty.

My name is Amiee Abusch, Senior Vice President of Foster Care, Prevention, and Community Partnership at JCCA. I have spent most of my career working in child welfare. I began as an ACS Child Protective Services (CPS) worker and also served as a clinical consultant to ACS, as well as Preventive Director and Vice President for Foster Care Programs. I have worked with hundreds of frontline human services providers throughout my career and admire their dedication to at-risk populations across New York City.

JCCA works with about 17,000 of New York State's children and families each year, providing foster and residential care, prevention, mental and behavioral health care services, and educational assistance and remediation.

JCCA is able to serve New York's vulnerable children and families through a variety of programs that are contracted from various city agencies including the Administration on Children's Services (ACS), Department of Youth and Community Development (DYCD), and the Department of Youth and Mental Hygiene (DOHMH).

Our frontline staff are the backbone of our organization. They spend most of their time in our clients' homes and communities, assessing the needs of children and families, and connecting with providers in the communities they serve so that youth and families are equipped with the resources needed to reach their fullest potential. They are the first point of contact for children and families experiencing a crisis or emergency and work to resolve their situation in a careful and timely manner. However, our frontline staff are vastly underpaid for their hard work. We work long hours, traveling into our clients' homes regardless of weather, and have tremendous documentation responsibilities. Our work is emotionally draining, but we willingly chose a helping profession. Jaleesa, a Case Manager in one of our evidence-based programs recently said that she knew social work didn't offer the most pay, but shouldn't she be able to support herself and her child? Jaleesa is one of many who describe relying on the same public benefits office as her clients, and how when she accompanies clients for help, she needs to wear JCCA attire or badge to identify that she is there as a case manager and not on her own behalf. Our professionals experience some of the same struggles as our at-risk clients. The low pay is traumatizing for professionals, particularly when they spend years relying on public benefits, have little or no income increase, and feel the impact of inflation when buying eggs, butter, and milk. As a result, staff often leave for higher paying jobs at city agencies, schools, hospitals, and private sector companies.

Effects of Staff Turnover on Programming

In the past year, 31% of JCCA employees have left the agency: 48% of those were from our Foster Home Services and 36% from our Prevention programs. As with other human services and mental health providers, our high level of staff turnover adversely impacts services to vulnerable families. Every time a position becomes vacant, it delays a child or family from achieving their desired outcome. For the period the position remains vacant, other frontline staffers already working at their full capacity will have to add clients to their caseload. While temporary, this overburdens their workload, making it difficult to balance the needs of all families they are serving. This is particularly challenging for the staff and children on our residential campus. While I do not oversee our residential campus, I know from my colleagues that maintaining adequate coverage and support for children—nearly all of whom need serious emotional support—is tremendously challenging with low wages and demanding jobs. Starting salaries are \$36,500 for the Resident Youth Counselors who work in the cottages where our children reside. Many of these counselors take second jobs to make ends meet. They frequently leave, citing the need for higher pay.

I have seen firsthand how staff turnover profoundly affects our programs, and will highlight a few examples from our Foster Home Services and Prevention programs. Once new staff have been hired, children will have to repeat their experiences once again. As many of the youth and families have very sensitive personal backgrounds, they may feel uncomfortable sharing their personal experiences with new staff. This is an exhausting process, and children or parents may feel overwhelmed or discouraged at having to start over. Foster children are seeking a stable environment, whether in a new home with foster parents or returning home to their biological parents. Staff turnover damages trust and delays permanency outcomes for children and families desperate for stability.

JCCA's salaries are comparable to others in our field. Socio-therapists begin at \$43,721.77, Case Planners at \$45,000, and Social Worker Case Planners at \$56,082.08. These salaries are for staff who have a Bachelor's degree. Many of our workers live in subsidized housing and receive public benefits, a key indicator of poverty. These salaries cannot keep pace with inflation, which is currently at 6.3%.¹ As a result, highly trained human service workers are leaving the field.

Funding for the Prevailing Wage Bill

We appreciate the City Council for introducing and supporting the Prevailing Wage Bill. It is also imperative that there is funding for this bill, so it does not become an unfunded mandate for human service organizations.

Conclusion

Thank you for taking the time to hear from community providers about the importance of the Prevailing Wage Bill for frontline human service and mental health workers across New York City, as well as the community members we all serve.

¹ https://www.bls.gov/regions/new-york-new-jersey/news-release/consumerpriceindex_newyorkarea.htm



New York City Council Committees on Aging, Contracts and Youth Services
Oversight Hearing on Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on
Time

January 30, 2023

Submitted by:

Bridget McBrien, Director of Government Relations, The Jewish Board

Thank you Chairs Hudson, Won, and Stevens, and members of the New York City Council Committees on Aging, Contracts, and Youth Services. My name is Bridget McBrien and I am the Director of Government Relations at The Jewish Board of Family & Children's Services.

The Jewish Board is among the city's largest human services organizations, serving approximately 45,000 New Yorkers of all ages and backgrounds at sites throughout the five boroughs. Broadly speaking, our programs serve low-income individuals and families from three populations: those with mental health challenges, those who have experienced abuse, and those with intellectual/developmental disabilities.

The Jewish Board is grateful to Comptroller Lander, Speaker Adams, and Mayor Adams for their commitment to a significant review of the procurement process. We fully support the recommendations put forth by the recent report, A Better Contract for New York, and want to highlight the most important recommendations we believe will improve not only the contracting process but also our services for the most vulnerable New Yorkers.

Support for Int 510

The Jewish Board supports Int 510 to establish prevailing wage requirements for city-contract human services workers. Government is not just the predominant funder of human services, but is also the main driver of human services salaries, and either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. Government contracting practices have created an intolerable situation of extreme pay disparities and racial and gender inequities as women of color constitute 55 percent of this workforce.

Salaries start low and often remain stagnant because human services contracts last five to seven years (or more) with no opportunity for cost-escalators to allow for rising salaries. Similarly, cost-of-living adjustments (COLAs) to keep up with inflation are not standardized and requires the sector to advocate for year after year. A COLA is not permanent solution to closing the gap in pay and compensating workers for years of underfunding. This results in increased staff turnover as underpaid staff leave nonprofits for better paying jobs in government or the private sector, depriving New Yorkers of services from the most experienced, well-trained staff and jeopardizing high-quality services. Salary parity must be achieved between City-employer direct care staff at ACS and nonprofit staff who do the vital work of mandated services.

It is imperative that Int 510 is fully funded and puts a mandate on government to provide additional funding in contracts dedicated to paying a prevailing wage. Solicitations should include job titles, classification and salaries for key staff and in budget documents.

We thank Council member Stevens for her leadership and all of the Council members who understand the needs of human services workers.

Support for Int 511 & Int 514

The Jewish Board contracts with more than four City agencies and has experienced a wide range of requirements in the contracting process between each agency. After MOCS published its standardization process more than three years ago, several agencies have asked for extraneous spreadsheets outside of the standard forms. One case required a spreadsheet of the names of more than 150 employees and delayed payment when we opposed such a requirement. We have seen a marked improvement in contract processing since MOCS standardized the requirements and we urge all agencies to continue to abide by the agreed-upon process.

The Jewish Board is one of the state's largest social services providers, with more than \$138 million of annual revenue from government contracting and services. Given the delay between contract registration and program services, we maintain a \$2 million line of credit for day-to-day costs. Interest payments for this credit availability routinely cost \$100,000 a year to bridge across both New York City and New York State contracts. Those funds would have otherwise been spent on service delivery and staff salaries for the talented people who have continued to work through the pandemic.

We thank the City Council for their commitment to procurement reform and prompt contracting. Seachange and other advocacy organizations have recently published reports about the sector-wide needs for interest-free lines of credit and refundable costs. A report on agency compliance is an important step to measure agency accountability to prompt contracting procedures. It is essential that nonprofits are not required to put any more additional administrative resources into multiple city accountability databases. Nonprofits already devote hundreds of hours of staff time in complying with multiple digital platforms and should not have to cope with another system as a result of Int 514.

By neglecting to pay for necessary expenses the city government has stripped human services providers of fundamental resources needed to successfully operate. It was this structural flaw that led New York City to recently implement the Indirect Cost Rate Funding Initiative, allowing nonprofits to qualify for a higher and individualized indirect rate. Yet the funding has fallen short. Mayor Adams & the Council must ensure that the city makes a permanent commitment to the sector to fully pay for the costs of our needed services.

Other Contracting Issues Not Currently Discussed

The NYC Comptroller can also take immediate action to resolve the cause of contract delays for minor violations from City Agencies. When the Jewish Board provides a residential service but has incurred a Sanitation, Department of Buildings, or other such City-violation at the site, a contract ready to be registered is unnecessarily delayed. We have experienced weeks-long delays

for Sanitation fines costing under \$100 on multi-million dollar contracts. Even when the violation is paid timely, the City's OATH processes are slow to show the date of payment, holding up a contract registration and necessitating interest payments on the open line of credit.

Non-for-profits are also subject to the same fines for violations as for profit entities. The Department of Buildings is particularly slow to update their violations history. We must devote precious staff time and resources to navigate their processes, especially for minor violations that don't threaten safety. The Council should consider whether fines for non-profit owners should be different for profit-making entities.

Conclusion

The Jewish Board was asked to continue vital social services when the nonprofit FEGS Health and Human Services collapsed quickly. We know the relationship between government and social services agencies must be strong and honest. Many of the issues discussed here today and in the recent report, A Better Contract for New York, have been considered in the last five years. We have seen improvements and thank our partners in government for their efforts to ensure fairness while safeguarding the taxpayer's dollar. We also thank the new Administrations for considering these reforms and urge all parties to move swiftly to enact change.

For further comments, I can be reached at bmcbrien@jbfcs.org.

Thank you.



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**Testimony for the New York City Council
Committees on Youth Services, Aging, and Contracts
Oversight: Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time
January 30th, 2023**

**Testimony of Paul Lee, Sr. Grants and Advocacy Officer
Korean Community Services of Metropolitan New York, Inc. (KCS)**

Thank you, members of the Committees on Youth Services, Aging, and Contracts for allowing us to testify today. My name is Paul Lee, I am the Sr. Grants and Advocacy Officer from Korean Community Services of Metropolitan New York. First off, I wanted to recognize and thank your office for all the hard work you have done on behalf of the entire city as we continue to bounce back from the pandemic.

Since 1973, Korean Community Services of Metropolitan New York, Inc. (KCS), a 501(c)(3) organization, has been serving underrepresented populations with an emphasis on the Korean immigrant and broader AAPI communities. KCS is committed to ensuring individuals remain grounded in their heritage but develop the capacity to thrive in their daily lives. In response to the significant cultural, linguistic, and economic barriers immigrants face each day, KCS provides a comprehensive array of client-tailored services in the areas of Aging, Education, Immigration, Workforce Development, Public Health, and Mental Health. Our holistic services enable Asian American immigrants to navigate through any challenges that may arise in their journey towards becoming more dynamic, healthy, and confident members of society.

There are so many prevalent issues with the contracting system that we can discuss here today, but I will defer most of the specific recommendations to our colleagues represented here, who have shared their powerful testimonies today. Instead, I come today to speak about our observations working with the contracting system and to share the experiences of my coworkers, colleagues, and the community that is directly impacted by the current system. Shortly, we support the following recommendations developed by LiveOn NY. An expanded explanation of these recommendations has also been included at the end of this testimony, and found in LiveOn NY’s official testimony:

1. Boost salaries of human service workers on city contracts.
2. Empower nonprofits to make expenses that they feel will best serve their communities.
3. The City must also continue to improve the timeliness of payments to non-profits.
4. The City to improve the timeliness of discretionary funding for community-based organizations.
5. Within the Request for Proposal (RFP) process, the City must ensure that providers have 30 days to respond following the final addendum released.

The importance of organizations like KCS, and those here at this meeting, have increased due to the unprecedented challenge and impact of COVID-19; responding to the extreme needs of community members across the city and in your districts, many who have been disproportionately impacted during the pandemic. Despite these challenges, our city’s nonprofit organizations rose up to support those who needed it the most but are now struggling to even stay afloat due to the esoteric and unclear contracting process, despite the availability of funds, and promise of reimbursements.

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This discrepancy, as you are aware, is the crux of so many issues impacting the day-to-day operation of community organizations across the city. As someone who has worked both at the program and organizational level, I have now seen the direct chain of consequences that emerge as a result of NOT paying nonprofits on time. From the writing of proposals, document management, budget negotiations, authorizing signatures, program management, up to the service level with our employees on the ground speaking to and serving clients; each and every step of this crucial process is negatively impacted by the current system. We simply cannot stop serving our community, without creating even greater harm.

Simply put, we are paying out of pocket from critical savings or other backup funds that keep our organization afloat. We are operating and sustaining these critical services on many promises of payment, with no clear timeline, and no timely reimbursements. This does not even take into consideration the impact of rising costs and inflation, which adds even more undue burden on organizations like ours and doubly so for the community members we are serving. As a result, the overall quality of services is not only impacted, but their very availability put at stake.

Furthermore, the current contracting process and delay in payment is simply an existential threat for small nonprofits. As a member of several nonprofit coalitions, such as the Viral Hepatitis Initiative, which are all dedicated to serving the community, KCS can see the direct effect this delay has; namely, smaller organizations simply cannot survive without timely reimbursements and assistance navigating the contracting process. This current situation is an unsustainable and inequitable model that undermines the principles of fairness and ethics the City seeks to uphold.

This testimony is not an admonishment for the current administration or the representatives here, but a call to action. Based on your commitment and our shared vision, we thank you for your time and continued efforts to address this significant but surmountable issue. With your continued support and our collaboration to reform the current system, we will be able to continue delivering meals to hundreds homebound seniors, provide critical case management and holistic social services, offer culturally competent and linguistically relevant mental health support, combat hatred, provide pathways to economic stability and healthy lives, and to nurture a system wherein we as community organizations and government agencies are capable of providing the highest quality of services, to those who need it most.

Testimony provided by Paul Lee, Sr. Grants and Advocacy Officer at Korean Community Services of Metropolitan New York, Inc. For questions: plee@kcsny.org

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LiveON NY Recommendations:

Firstly, we invite the City to utilize our aging policy agenda, Aging is Everyone’s Business, released by LiveOn NY in partnership with Hunter College Brookdale Center for Healthy Aging, which is a bold policy agenda that provides actionable policy solutions to make New York a better, more equitable place to age.

Furthermore, to address the chronic challenges of City contracting for nonprofit organizations, LiveOn NY recommends the following:

Boost salaries of human service workers on city contracts to make them competitive and equitable across human services sectors. Poverty level wages from government underfunding have chronically left City contracted providers including human service workers with low wages, making it difficult for organizations to attract top talent, and resulting in frequent staff turnover.

These workers continue to serve our communities by innovating and adapting their operations and programming to the current reality shaped by the pandemic while being paid poverty-level wages through government contracts. The lack of livable wages for human service workers not only disadvantages communities who rely on these workers for lifesaving services but represents a critical and overlooked equity issue. We urge the City to commit to finally paying human services workers on City contracts a fair and equitable wage.

Empower nonprofits to make expenses that they feel will best serve their communities by building more flexibility within their contracts. Most notably, at the peak of the pandemic, many City contracted

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providers, including several of LiveOn members, completed the Older Adult Center RFP issued by DFTA that aimed to rethink how we provide services and programming for older adults. While this RFP was an opportunity to develop innovative programming to support older adults, providers were asked to complete this RFP without the pandemic in mind, despite the changing landscape of aging services and the human services sector at large. As providers emerge from the pandemic, many community-based organizations with City contracts are now faced with unique challenges as the needs of older adults have evolved. To address this, LiveOn NY encourages the City to assess how flexibility can be built into City Contracts to allow providers to adapt to the evolving needs of older adults.

The City must also continue to improve the timeliness of payments to non-profits, as well as the contracting process itself. Many nonprofits are paid at the end of the contract period, requiring them to front program expenses until they can be reimbursed. Too often, providers experience significant delays in the payment process due to late contracts registration and a burdensome and confusing process. The city must standardize the contracting process across agencies and create functionalities that reduce redundancies for nonprofits that are awarded multiple contracts. **Furthermore, LiveOn NY encourages the City to improve the timeliness of discretionary funding for community-based organizations.** Many programs, particularly smaller, hyper-local nonprofits that serve hard-to-reach senior populations rely on discretionary funding to ensure their communities can be served. As of today only 5% of the city’s FY 23 discretionary contracts have been registered, and a full 1/3 of FY 22 contracts remain unregistered. 60% of the contracts amount to \$50,000 or less, but they only represent 8% of the total funding. To address this issue, we encourage the City to treat discretionary funding similar to grants to streamline the process.

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Furthermore, within the Request for Proposal (RFP) process, the City must ensure that providers have 30 days to respond following the final addendum released to ensure providers have adequate time to sufficiently complete the RFP. Most recently, last month, the Department for the Aging, also known as NYC Aging, released the Case Management RFP that many of LiveOn NY’s members have submitted proposals for. While this RFP was released in December right before the holidays, the final Addendum was released just 7 days before the submission deadline for the Case Management RFP, not giving providers the adequate time to review the addendum and make any necessary changes for their proposal. Furthermore, while LiveOn NY appreciates the salary requirements within the Case Management RFP to address pay equity in the human services sector, LiveOn NY has heard many concerns from our members on whether the rates are sufficient to cover both the salary requirements and the necessary funding to provide case management services in New York City.

Proposed Legislation

LiveOn applauds Contracts Chair Won and Youth Services Chair Stevens for introducing the following legislation aimed at improving City contracting for nonprofit organizations including human service providers, and thanks Chair Won, Chair Stevens and Chair Hudson for their advocacy.

LiveOn NY offers the following feedback on the proposed legislation:

Intro 510

LiveOn NY supports the intent of Intro. 510. This bill would ensure that human service workers contracted with the city would be paid prevailing wages set by the comptroller. While this bill is an important step forward in recognizing that our human service workforce is underpaid and undervalued in our city, we must not put additional financial strain on providers without commensurate investment from

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the city. Many providers are already financially struggling dealing with high costs related to service and delays in payments from existing contracts and adding additional costs without additional funding would only further strain an already overburdened system.

Intro 511

LiveOn NY supports Intro. 511, which would require the procurement policy board (“PPB”) to set time limits within which agencies would be required to complete each step of the procurement process. Many of our members have experienced financial instability due to the unpredictable nature of the city’s contracting and procurement process. Contracts have been registered a full year after they were awarded in some cases and these delays create additional costs and uncertainty for city contracted providers. A clear and accountable timeline for contract and procurement procedures would help get our service providers paid on time and in a predictable manner.

Intro 514

LiveOn NY supports Intro. 514, which would require the establishment and maintenance of a searchable public online database to contain information from all stages of the contracting process for every mayoral agency procurement that exceeds the small purchase limits. Transparency is key in holding agencies accountable for timely and reliable payments in contracts and a public database would create an avenue to do just that. It would also allow for a holistic view of our contracting system across all city contracts to identify and solve systemic issues in the contracting and procurement process.

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Testimony Concerning:
**Oversight - Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time**
January 30th, 2023

Presented By:
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Presented Before:
Joint Committees on Aging, Youth Services, and Contracts
NYC Council Committee on Youth Services Chair Althea Stevens
NYC Council Committee on Contracts Chair Julie Won
NYC Council Committee on Aging Chair Crystal Hudson
NYC Council Speaker Adrienne Adams

Good afternoon. My name is Keriann Pauls, and I am a member of the LEAP Coalition's steering committee and the Director of Coalitions and Resource Management at TakeRoot Justice. LEAP is a legal advocacy partnership comprised of direct civil legal services providers. We work collaboratively to increase the availability, breadth and depth of quality civil legal services for marginalized individuals and communities across New York City. LEAP's membership includes established community-based legal services providers and city-wide public interest advocacy groups that receive funding from a variety of public and private sources.

Thank you to City Council and this taskforce for shining a spotlight on the issue of how the City's delays in paying non-profits for their crucial work has devastating impacts on our organizations and the communities we serve. LEAP calls for and supports efforts that increase transparency in how the City engages in contracting processes, reduces unnecessary administrative burdens on our organizations and streamlines advances in funding so that we have the resources in hand to pay our incredible staff and keep our doors open.

We have been informed that several of the baselined legal services contracts will be RFP'd soon and that the contracting agencies intend to time these RFPs all at once. Examples of these are housing contracts, such as Anti-Harassment (AHTP) and Right to Counsel (HPLP), and immigration contracts such as Immigration Opportunities (IOI). For LEAP, this timing would negatively impact our organizations and cause greater disruption to our work.

For our coalition, better contracting means: greater transparency & collaboration and staggering the RFPs across baselined legal services contracts. We ask this taskforce and the City to increase transparency in the RFP process and provide a real opportunity for the organizations working on the ground to give feedback on how these programs have been working and in what ways they can be improved.

We also ask the contracting agencies to stagger the RFPs instead of timing their roll out all at once. Timing them all at once would overburden our staff tasked with thoughtfully preparing our applications, when our organizations are already short on capacity. Additionally, the financial uncertainty of having all our major funding streams in limbo at the same time presents a huge risk to the stability and continuity of legal services for our clients.

In addition to our concerns about these RFPs, Our LEAP organizations face the same, serious cash flow challenges as you've heard from the other attendees testifying today. We strongly recommend that the City allow for advances on our contracts to be paid out prior to registration. We also ask that bridge loans and bridge renewals to be implemented as actual "bridges" and have these funds issued at the expiration of the prior fiscal year's contracts and before the next fiscal year's awards. If the City were to implement these changes, it would help ensure continuity of services and prevent devastating impacts on our organizations, our clients and your constituents.

In closing, we thank the City Council and this taskforce for the time put towards getting funding to our non-profits in a timely fashion. We reiterate that staggering the RFPs, providing an opportunity for real feedback on their structure, and lifting unnecessary administrative burdens on the advance and bridge loan processes would greatly improve the non-profit contracting, and ensure the City's funds benefit and serve our communities in the ways they are intended.

Members of the LEAP Coalition:

The Bronx Defenders
Brooklyn Defenders
Brooklyn Legal Services Corp A
CAMBA Legal Services
Catholic Migration Services
Goddard Riverside Law Project
Housing Conservation Coordinators
JASA Legal Services
Make the Road NY
Mobilization for Justice
Neighborhood Defenders
New York Lawyers for the Public Interest
NMIC
TakeRoot Justice
The Door
Urban Justice Center
Volunteers of Legal Service



Making New York a better place to age

Committee on Contracts
Chair, Council Member Won
Committees on Youth Services
Chair, Council Member Stevens
Committee on Aging
Chair, Council Member Hudson
January 30, 2023

Oversight - Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time.

My name is Brianna Paden-Williams and I am the Communications and Policy Associate at LiveOn NY. Thank you for the opportunity to testify.

LiveOn NY's members include more than 110 community-based nonprofits that provide core services which allow all New Yorkers to thrive in our communities as we age, such as older adult centers, home-delivered meals, affordable senior housing, NORCs, and home care. LiveOn NY is also home to the Reframing Aging NYC Initiative, part of the national Reframing Aging Initiative aimed to counteract ageism and improve the way policymakers, stakeholders, and the public think about aging and older people. With our members, we work to make New York a better place to age.

Background

In New York City, the majority of human services programming is run through contracts with hundreds of nonprofit organizations across the city that employ tens of thousands of New Yorkers. However, for decades, city contracts have fallen short of reimbursing nonprofits for the full cost of delivering services. Unfortunately, providers receive about 80 percent of what it actually costs to run programs, on average, forcing organizations to borrow money or spend administrative effort seeking alternative sources of funding.

These delays have put financial stress on community-based organizations that have been the backbone to providing lifesaving services and support to New Yorkers including older adults. The financial uncertainty due to low wages, payment delays and other factors makes it difficult for nonprofit organizations, including aging services providers, to plan for the future and to commit to meaningful partnerships as we continue to emerge from the pandemic and meet the demands of New Yorkers.

Fully funding city contracts for human services provides economic security for the more than 662,000 workers who are directly employed in the field, the majority of whom are women, and people of color.¹ Furthermore, it also ensures that organizations can continue to thrive and provide critical services for

¹ Nonprofit New York (2021). 2021 City Policy Platform: New York City. Accessed at <https://www.nonprofitnewyork.org/act/2021-nonprofit-policy-platform/>



Making New York a better place to age

New Yorkers. As we look ahead, LiveOn NY encourages the City to create long-term solutions to the chronic contract challenges and issues, nonprofit organizations have experienced for decades.

Recommendations

Firstly, we invite the City to utilize our aging policy agenda, *[Aging is Everyone's Business](#)*, released by LiveOn NY in partnership with Hunter College Brookdale Center for Healthy Aging, which is a bold policy agenda that provides actionable policy solutions to make New York a better, more equitable place to age.

Furthermore, to address the chronic challenges of City contracting for nonprofit organizations, LiveOn NY recommends the following:

Boost salaries of human service workers on city contracts to make them competitive and equitable across human services sectors. Poverty level wages from government underfunding have chronically left City contracted providers including human service workers with low wages, making it difficult for organizations to attract top talent, and resulting in frequent staff turnover.

These workers continue to serve our communities by innovating and adapting their operations and programming to the current reality shaped by the pandemic while being paid poverty-level wages through government contracts. The lack of livable wages for human service workers not only disadvantages communities who rely on these workers for lifesaving services but represents a critical and overlooked equity issue. We urge the City to commit to finally paying human services workers on City contracts a fair and equitable wage.

Empower nonprofits to make expenses that they feel will best serve their communities by building more flexibility within their contracts. Most notably, at the peak of the pandemic, many City contracted providers, including several of LiveOn members, completed the Older Adult Center RFP issued by DFTA that aimed to rethink how we provide services and programming for older adults. While this RFP was an opportunity to develop innovative programming to support older adults, providers were asked to complete this RFP without the pandemic in mind, despite the changing landscape of aging services and the human services sector at large. As providers emerge from the pandemic, many community-based organizations with City contracts are now faced with unique challenges as the needs of older adults have evolved. To address this, LiveOn NY encourages the City to assess how flexibility can be built into City Contracts to allow providers to adapt to the evolving needs of older adults.

The City must also continue to improve the timeliness of payments to non-profits, as well as the contracting process itself. Many nonprofits are paid at the end of the contract period, requiring them to front program expenses until they can be reimbursed. Too often, providers experience significant delays in the payment process due to late contracts registration and a burdensome and confusing process. The



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city must standardize the contracting process across agencies and create functionalities that reduce redundancies for nonprofits that are awarded multiple contracts. Furthermore, **LiveOn NY encourages the City to improve the timeliness of discretionary funding for community-based organizations.** Many programs, particularly smaller, hyper-local nonprofits that serve hard-to-reach senior populations rely on discretionary funding to ensure their communities can be served. As of today only 5% of the city's FY 23 discretionary contracts have been registered, and a full 1/3 of FY 22 contracts remain unregistered. 60% of the contracts amount to \$50,000 or less, but they only represent 8% of the total funding. To address this issue, we encourage the City to treat discretionary funding similar to grants to streamline the process.

Furthermore, within the Request for Proposal (RFP) process, the City must ensure that providers have 30 days to respond following the final addendum released to ensure providers have adequate time to sufficiently complete the RFP. Most recently, last month, the Department for the Aging, also known as NYC Aging, released the Case Management RFP that many of LiveOn NY's members have submitted proposals for. While this RFP was released in December right before the holidays, the final Addendum was released just 7 days before the submission deadline for the Case Management RFP, not giving providers the adequate time to review the addendum and make any necessary changes for their proposal. Furthermore, while LiveOn NY appreciates the salary requirements within the Case Management RFP to address pay equity in the human services sector, LiveOn NY has heard many concerns from our members on whether the rates are sufficient to cover both the salary requirements and the necessary funding to provide case management services in New York City.

Proposed Legislation

LiveOn applauds Contracts Chair Won and Youth Services Chair Stevens for introducing the following legislation aimed at improving City contracting for nonprofit organizations including human service providers, and thanks Chair Won, Chair Stevens and Chair Hudson for their advocacy.

LiveOn NY offers the following feedback on the proposed legislation:

Intro 510

LiveOn NY supports the intent of Intro. 510. This bill would ensure that human service workers contracted with the city would be paid prevailing wages set by the comptroller. While this bill is an important step forward in recognizing that our human service workforce is underpaid and undervalued in our city, we must not put additional financial strain on providers without commensurate investment from the city. Many providers are already financially struggling dealing with high costs related to service and delays in payments from existing contracts and adding additional costs without additional funding would only further strain an already overburdened system.



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Intro 511

LiveOn NY supports Intro. 511, which would require the procurement policy board (“PPB”) to set time limits within which agencies would be required to complete each step of the procurement process. Many of our members have experienced financial instability due to the unpredictable nature of the city’s contracting and procurement process. Contracts have been registered a full year after they were awarded in some cases and these delays create additional costs and uncertainty for city contracted providers. A clear and accountable timeline for contract and procurement procedures would help get our service providers paid on time and in a predictable manner.

Intro 514

LiveOn NY supports Intro. 514, which would require the establishment and maintenance of a searchable public online database to contain information from all stages of the contracting process for every mayoral agency procurement that exceeds the small purchase limits. Transparency is key in holding agencies accountable for timely and reliable payments in contracts and a public database would create an avenue to do just that. It would also allow for a holistic view of our contracting system across all city contracts to identify and solve systemic issues in the contracting and procurement process.

Thank you for the opportunity to testify.

Testimony provided by Brianna Paden-Williams, Communications and Policy Associate at LiveOn NY For questions, please email bpaden-williams@liveon-ny.org

LiveOn NY’s members provide the core, community-based services that allow older adults to thrive in their communities. With a base of more than 100 community-based organizations serving at least 300,000 older New Yorkers annually. Our members provide services ranging from senior centers, congregate and home-delivered meals, affordable senior housing with services, elder abuse prevention services, caregiver supports, case management, transportation, and NORCs. LiveOn NY advocates for increased funding for these vital services to improve both the solvency of the system and the overall capacity of community-based service providers.

LiveOn NY also administers a citywide outreach program and staffs a hotline that educates, screens and helps with benefit enrollment including SNAP, SCRIE and others, and also administers the Rights and Information for Senior Empowerment (RISE) program to bring critical information directly to seniors on important topics to help them age well in their communities.

**TESTIMONY OF PATRICIA MARTHONE, EXECUTIVE VICE PRESIDENT, 1199SEIU
JANUARY 30, 2023**

Good afternoon. Thank you for this opportunity to testify before you today. My name is Patricia Marthone, 1199 SEIU United Healthcare Workers East Executive Vice President for the Community Based Organization and Pharmacy Division, representing over 8,000 health care workers employed in community based clinics, FQHCs, dialysis centers, and the Legal Aid Society. 1199 fully supports Intro. 510 and urges the City Council to enact prevailing wages laws that will raise the floor for all human service workers.

1199 represents 400,000 health care workers in 5 states and the District of Columbia. As has been repeated in numerous recent hearings, the COVID-19 pandemic took its toll on health care workers around the globe. Here in New York City, it exacerbated the health care staffing shortage that already existed prior to the crisis.

Resolving the health care staffing shortages will require resources and investment. In addition to prevailing wage laws, the City should explore loan forgiveness programs and longevity bonuses. We must unite to call for increasing the Medicaid reimbursements rates by at least 10% across the board. These rates have remained stagnant for too long. We also urge the City Council to support Raise Up NY to increase the minimum wage to over \$20 per hour by indexing.

More important, there is an enormous disparity in wages and benefits for workers in similar titles working in hospitals compared to the community-based health and behavioral health clinics that we represent. A person with a Masters Degree in Social Work employed by a clinic can earn between \$35-45,000 per year, while the same title and credentials will earn \$65-90,000 at some institutions. This makes it impossible for the community based providers to compete and impedes their ability to recruit and retain experienced long term staff.

We know that health care costs are exorbitant and, that services provided by community based clinics are more cost effective, and engage clients in a more culturally sensitive, linguistically competent setting that increases trust and improve experiences and outcomes. Unless we can secure increased funding, these clinics will continue to make difficult choices between decent wages or benefits. Given the past three years of crisis, we can all agree that these are crucial services from which we and our loved ones benefit. Yet, we cut corners when it comes to funding them. This must change. We must find ways to ensure that the health care industry is fully staffed, and we must find solutions before we are hit by the next crisis. Let's work together to secure increased funding, and implement incentive programs that will benefit all workers and New Yorkers alike.

With regard to Intro 511, we recommend that the City work to amend contract funding to a calendar year commencing October 1st rather than July 1st. This will allow time for agencies to vet contracts and for the Comptroller to certify contracts. Currently, particularly smaller agencies, are awarded funds, only to wait for several months before their contracts are certified. Some incur bridge loans at very high interests, funds that would be better used in direct services. Such a change would not incur additional costs and would allow agencies time to wind down operations and make appropriate referrals in the event that funding is denied.

Finally, with regard to Intro 514, we fully support a publicly accessible database for city contracts.

Thank you for this opportunity to testify on behalf of our members. I'm happy to answer any questions you might have.

Testimony by the New York Legal Assistance Group

Hearing: Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time

January 30, 2023

Thank you for the opportunity to submit this testimony to the New York City Committee on Aging jointly with the Committee on Youth Services and the Committee on Contracts. My name is Shani Adess; I am Vice President of New York Legal Assistance Group (NYLAG). NYLAG uses the power of the law to help New Yorkers experiencing poverty or in crisis combat economic, racial, and social injustice. We address emerging and urgent needs with comprehensive, free civil legal services, financial empowerment, impact litigation, policy advocacy, and community partnerships. We aim to disrupt systemic racism by serving clients, whose legal and financial crises are often rooted in racial inequality.

Nonprofit human service providers, like NYLAG, are the individuals on the ground engaging with communities, meeting with individuals in crisis, and providing direct assistance to vulnerable New Yorkers. City government relies on nonprofit human service providers to implement critical public services designed to support and uplift New Yorkers. We thereby bridge the gap of bringing services to those most in need in our communities, together.

For decades, the City has led the way in improving access to services for vulnerable New Yorkers on a range of issues. These programs include but are not limited to the City's groundbreaking Right to Counsel program ensuring that tenants have access to legal representation in eviction proceedings. It includes the Immigrant Opportunity Initiative, Action NYC, and the New York Family Unity Project, enabling organizations like NYLAG to expand legal services for immigrant New Yorkers during years of increased xenophobia and anti-immigrant

sentiment and federal policies. It also funds programs like the Family Justice Centers and sets aside discretionary funds, that allow NYLAG to provide urgent, and ongoing services to survivors of domestic and sexual based violence.

These programs have had a measurable impact on our communities. Within the first year of the Right to Counsel program, 84% of tenants who obtained counsel to defend eviction proceedings under the program were able to remain in their apartments.¹ Similarly, access to counsel for immigrants facing removal proceedings has been shown to drastically increase their ability to obtain legal-relief and remain in the United States.² While we track outcomes and deliverables, what we know is there is an incalculable benefit to these, and other City programs, that impact not just the individuals we serve today, but also their families, and their futures. These initiatives have immediate and long-term impacts on the stability, security, and well-being of the incredible people who make up our community of New York City.

Despite the value of the life-changing services we provide, human services providers like NYLAG face a multitude of obstacles in the City procurement and payment process, sometimes waiting years for payment on operating contracts. Existing contracts do not allow providers to offer competitive and fair wages to the staff implementing these services. When those

¹ See Universal Access to Legal Services: A Report on Year One of Implementation in New York City Prepared by the Office of Civil Justice Fall 2018, page 34 available at:

<https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ-UA-2018-Report.pdf>(accessed 1/12/2023)

² See e.g. Chen, Greg and Jorge Loweree, American Immigration Council, “Policy Brief: The Biden Administration and Congress Must Guarantee Legal Representation for People Facing Removal”, Jan. 15, 2021, available at: <https://www.americanimmigrationcouncil.org/research/biden-administration-and-congress-must-guarantee-legal-representation-people-facing-removal> (accessed 1/28/2023), finding that representation by counsel is one of the most decisive factors as to whether someone will obtain legal relief while in removal proceedings, making someone more than five times more likely to be successful in cases where they are not-detained, and over ten times more likely to be successful in cases where they are detained.

contracts aren't timely registered or paid, this impacts our organization-wide ability to engage in programming, compensate staff, and have the fiscal stability we need to operate. The Bills being considered today are one important step forward in ensuring that we can continue doing this incredible work, which, as of today with underfunding and systemic contracting issues, is simply not sustainable.

I. Comments on Proposed Bills

a. Int 510:

NYLAG applauds City Council's efforts to establish a fair and equitable prevailing wage requirement for city-contracted human service workers. When determining a wage requirement, we urge City Council to align the rate of pay full and true cost related to staff structures, including: wages, benefits such as health insurance, office space, technology, supervision and training, and the administrative and operational support necessary to keep the organization running; as well as to ensure that the prevailing wage minimums set remain relevant through the implementation of automatic cost-of-living adjustments.

Our support for this Bill is informed by experiencing the impact of underinvestment in nonprofit work. The impact of setting such wages will likely be far-reaching, for other non-profit staff at the same or similar agencies, for nonprofits negotiating contracts with other funders, and will put the City at the forefront of this movement to have those performing vital public services ensured just wages.

The City must lead with its values with the contracts that it sets. City Contracts rates of pay drive the salary and benefits our organizations can offer our staff. So, what does it mean when they do not fund human service work adequately? Human services workers are overwhelmingly female (66%), over two-thirds are full-time workers of color (68%), and nearly

half (46%) are women of color.³ Failing to invest equitably in this work therefore means perpetuating the systemic inequities this funding is meant to alleviate.

Human service workers should not be paid 29% less than government employees, or 18% less than people who do similar work but in the private sector.⁴ Failing to pay equal wages to human service workers creates the perception that their work is not as valued, or as important. This is in stark contradiction to what we know the reality is: that they are the people on the ground, ensuring that the City's programming is not just mere intention, but that it is implemented to have the intended impact on the communities we all serve.

Newly issued RFAs from the City continue to inadequately reflect what is now considered standardized wages- let alone *just* wages, or the full and true expenses necessary to support staff. This impacts not just the people covered by these contracts, but our entire organization. For example, NYLAG, like many, faces exorbitant increases in health insurance costs during this time, costs that are rarely if ever meaningfully covered by contracts despite being an essential part of the compensation package we offer to employees. We are further limited in our ability to help cover these large, unexpected costs when our organization's unrestricted funds are being used to cover wage gaps. NYLAG's City Contracts require that staff working under those contracts commit 100% of their time to that contract alone. When the money within the contract fails to cover the true cost of work, we must use unrestricted funds

³ Human Services Council of New York, [Essential or Expendable? How Human Services Supported Communities Through COVID-19 and Recommendations to Support an Equitable Recovery](https://www.justpayny.org/the-facts), June 2021, available at: <https://www.justpayny.org/the-facts> (accessed 1/29/2023).

⁴ See *Id.*

to cover this gap. This gap in funding compounds year after year, as expenses increase, and limits our flexibility and financial security as an employer.

As a unionized provider, NYLAG's wages increase in accordance with our collective bargaining agreement. When we use unrestricted funds to cover gaps created by city contracts, we can't use those funds for other expenses such as: staff wages, benefits, organizational support, or expansion of programming. With contracts regularly failing to account for increased funding, it is no surprise that we are seeing these dedicated, committed, and skilled staff leaving nonprofit work at increased rates.⁵ We are positioned such that we cannot adequately respond to economic requests to promote equity, adequately respond to the rising costs of living faced by all New Yorkers, and thereby retrain, recruit, and support high performing public interest lawyers and other advocates.

In considering this necessary change, we also urge City Council to speak with State Legislatures, to ensure coordination of setting a prevailing minimum wage for all City and State contracts. New York City nonprofit service providers, like NYLAG, often have contracts with both New York City and New York State. For nonprofits to standardize prevailing wages across our organizations, the City and State would need to be in coordination.

When contracts undervalue the true cost of work, they directly undervalue the people doing this work. Being routinely forced to utilize unrestricted resources to fill in the gaps, impacts the fiscal health of the organization, our ability to remain nimble, respond to crises and implement innovative programs that best serve our City based on community needs.

⁵ See e.g. Bromwich, Jonah, "Hundreds Have Left N.Y. Public Defender Offices Over Low Pay", New York Times, June 9, 2022, found at <https://www.nytimes.com/2022/06/09/nyregion/nyc-public-defenders-pay.html>

b. Int 511:

NYLAG additionally supports setting time limits for the procurement process and the establishment of a public procurement database. For years, long procurement and contracting processes have impacted NYLAG operations. As of January 2023, NYLAG has outstanding programmatic contracts from FY22 that remain unregistered. Even for registered contracts, we have significant costs that have not been fully reimbursed. This impacts cash flow and has a real cost to our organization, especially when we are forced to tap into reserves or lines of credit to cover expenses.

The problems we have experienced with getting paid on time vary from agency to agency. These include:

- Late contract registration. In some instances, such as for discretionary awards, nonprofits are not being prompted to start the contracting process well into the fiscal year.
- Tedious contracting processes coupled with a lack of capacity at some agencies results in long wait times for responses and the need for numerous back-and-forth communications with agency staff further delays registration and payment, The process for registering a funding agreement for capital grants is even more arduous and can take years.

It is not possible to overstate the challenges that come from not being paid on time. With contracts that already do not adequately cover the costs, we then must further dip into unrestricted funding or lines of credit. This impacts our organizational stability, it limits our

ability to offer increased economic resources to our staff and to hire new staff, and it may cause delays in program implementation, impacting communities in need.

In addition to the measures considered by City Council, we also respectfully request the Council consider taking this measure further to evaluate when and how contracts should be renewed, or subject to negotiated acquisitions, instead of re-bidding out contracts. While we understand and appreciate the lift of the RFA bidding process, contracts that are continuously renewed are stagnant and remain underfunded. The RFA process is invaluable, as solicitations enable providers, like NYLAG, to develop and propose service models that are aligned with the available funds and the current needs of the communities and clients we serve.

II. Conclusion

Despite significant achievements in working together in partnership, historic issues with contracting and funding levels threaten our ability to provide expert advocacy for our clients, retain staff, and respond to the ever-increasing need in the community. As a community of providers committed to ensuring all New Yorkers have equitable access to justice, we strive to meet these obligations. Still, we cannot ignore the impact that this has on our ability to recruit, train, maintain, and support staff, and to provide critical services to all the low-income New Yorkers in need of legal assistance. Chronic underfunding and systemic contracting issues cause organizations, like NYLAG, to face financial challenges that threaten our ability to serve those who need us most.

The City's system of contracting with nonprofit service providers is broken. It can be fixed. To ensure New Yorkers have access to the services they deserve, systemic changes in both funding levels and contracting processes are needed. This includes funding amounts that

reflect the true costs of doing business, building in COLA increases to multi-year contracts, setting new protocols for the timely registration of contracts and reimbursements for the same, and reissuing RFA's when previous contract terms expire.

To implement high quality services requires an investment in the same. We urge the City to once again stand at the forefront, pass these Bills, and consider what further steps they can take to invest in the nonprofit workers engaging with communities every day to implement City initiatives of the utmost importance.



Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time January 30th, 2023

Testimony of Ashley Ball and Kelly Li,
Opportunities for a Better Tomorrow (OBT)

Thank you to the Council Members on the Joint Task Force for the invitation to testify on behalf of Opportunities for a Better Tomorrow (OBT). Since 1983, OBT's mission has been to navigate New Yorkers to pathways of sustainable careers through job training, education, and employment placement assistance with a host of wraparound services in New York City. We currently hold contracts with DYCD to provide workforce development and education services. Our vision is to strengthen the workforce by serving as a bridge to economic opportunity for individuals and families in underserved communities, which is critical for economic recovery during these unprecedented times. With programming that ranges from high school equivalency to industry-certified training programs for high school graduates, we focus on meeting individuals "where they are" and work with them to meet their goals.

Thank you, Council Members, for your commitment towards establishing prevailing wage requirements for city-contracted human service workers. **OBT wholeheartedly supports Int 0510-2022: establishing prevailing wage requirements for city - contracted human service workers.** It is imperative that this bill is funded. The City of New York has long contracted with nonprofits like OBT to provide a range of programming and human services. The government is not just the predominant funder of human services but the main driver of human service salaries.

The poverty wages the government pays our frontline workers has impacted the efficiency and quality of our services. OBT has struggled to retain and recruit human service workers due to the wage constraints placed upon our organization by the city contracts. Consequently, we are understaffed and under-resourced, which impacts our progress toward our service delivery to the constituents of New York City. OBT has had to pay upfront to maintain staff allocated to contracts, profoundly affecting our ability to backfill crucial administrative roles such as payroll and procurement. Our inability to backfill these roles has created an unnecessary and undue burden on current staff. It is only due to the diligence and above the call of duty commitment of our dedicated team that we can support our participants at our constant level of excellence. The inadequate prevailing wage our staff receive from the city contracts is demoralizing and does not sufficiently represent their service to New York City. The Comptroller, City Council, and human service providers must work together for rulemaking and implementing wage increases and ensure eliminate unnecessary administrative burdens on our workforce.

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Additionally, OBT supports Int 0511-2022511-2022: setting time limits for the procurement process reporting on agency compliance and developing an online platform for managing procurement. Thank you, Council Members, for understanding the issues human service providers continue to face with late contracts, which have a detrimental effect on both the organizations and the communities we serve. Although the city cleared the backlog of more than \$4 billion in unpaid contracts and amendments, setting procurement timeframes can help ameliorate the procurement delays facing the sector. Frequent government contract payment delays put providers at risk of eviction and worsen deficits by forcing organizations to borrow for rent and salaries. The city's delay cost providers real money and jeopardizes the quality of services if they have to divert funds to pay interest on lines of credit. The unnecessary, time-consuming, and bureaucratic process that the city forces nonprofits to endure is not only burdensome, it creates an additional undue hardship for our underpaid staff who could spend that time more efficiently in support of our programs.

Finally, OBT supports Int 0514-2022: establishing an online public procurement database. Thank you for proposing legislation that increases the transparency of the procurement process. However, it is crucial that the development of this procurement database does not create administrative burdens for the providers. We understand that the City Council supports the work that human service providers do by proposing these bills to ensure accountability and transparency. At the same time, because the city already utilizes PASSPort Public, human service organizations should not be responsible for inputting data into this new public procurement database, but rather mandate contracting agencies to support the database. OBT faced many administrative burdens because we had to navigate multiple systems and spend staff time and financial resources to comply. Administrative burdens divert resources from programs and communities, so it is critical that this bill mandates government to be responsible for this procurement database without burdening providers. We believe that all government processes, whether federal, state, or municipal, should be transparent and streamlined, especially when they concern procurement and public services.

Thank you on behalf of everyone at Opportunities for a Better Tomorrow for giving us this platform to testify about the administrative burdens and prevailing wage requirements for human service workers in New York City. With your support, we look forward to building our partnership, so that together we can provide our participants with the opportunity for a better tomorrow.

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**Philanthropy New York City Council Testimony
On City Contracts And Living Wage Provisions
January 2023**

I am Marlon Williams, the Vice President of Public Policy and Collaboration at Philanthropy New York. We are submitting a testimony to demonstrate our support for recommendations that strengthen New York City's non-profit eco-system by reducing or eliminating several unnecessary administrative burdens that city agencies impose on nonprofits in the contracting process.

Philanthropy New York is a membership organization consisting of nearly 300 grantmaking institutions within the regional area and over 5,000 engaged community funders in a range of roles within those institutions. Collectively, our members make more than \$7 billion in grants annually. We bring together funders from within and across sectors to address the unique challenges facing the sector, share knowledge and nurture crucial skills to make the work of each grantmaker - and the philanthropic community as a whole - more meaningful and more effective. Philanthropy New York's values guide our decisions and our actions are rooted in our fundamental goal of supporting our membership in pursuing a more equitable, democratic society.

We believe that supporting our members' philanthropic efforts must include creating an ecosystem in which the non-profit partners that they support can thrive. In addition to the critical funding that our members provide to New York non-profits we know that government funding and contracts are an essential part of the resource stream needed for non-profits to do their critical work. Through our public policy work we are actively supporting efforts like those cited in the recently released report, *Strengthening NYC Nonprofits by Reducing Administrative Burden* authored by the Center for the Urban Future. Efforts like those outlined in this report would drastically improve a broken contracting process and ensure that critical government and philanthropic dollars are used most effectively towards supporting everyday New Yorkers and the nonprofits that provide essential services.

In June of 2022, PNY worked with the Adams Administration and our non-profit partners to convene a briefing on the impact of the Mayor and Comptroller's Joint Task Force to Get Nonprofits Paid on Time, an effort to resolve the backlog of thousands of outstanding and unregistered City contracts. While there is much work to do, that Task Force represented an acceleration of the City's previous efforts. We strongly advocate for further attention and action to address contracting and payment issues and reduce the administrative burdens on the nonprofit sector that New Yorkers rely on everyday. Whether getting a hot meal to an elderly resident, providing an enriching after school program to a teen, or producing cultural programs that represent New York City's diversity, it is critical to New York City's vibrancy and sustainability that nonprofits focus on mission, rather than chasing after overdue payments, waiting months to register contracts, and seeking loans to underwrite work that the City is contractually obliged to fund.

In addition to the CUF report recommendations on contracting reform, Philanthropy New York also supports Intro 510 regarding the prevailing wage provision for human services contracts. This measure will advance equity by addressing the racial and gender wealth gap in New York.⁵ The city raised the minimum wage to \$15 an hour in 2015. Despite the cost of living continuing to sharply rise in the second most expensive city in the United States.²³ The Living Wage Calculator calculates that the current living wage for a single adult in New York City starts at \$25.42 an hour.⁴ This means that workers employed at the minimum wage of \$15 an hour are unable to meet the minimum standard for food, housing, medical care, clothing, and transportation.

Research on the wealth gap indicates that the average median income is 77% higher than black families' incomes and 93% higher than latino families' incomes.⁵ This is especially true when narrowing the focus to nonprofit workers within the human services sector. The nonprofit sector employs 18% of the city's workforce but, due to insufficient

contracts from the city, nonprofit workers earn 29% less than government workers and 18% less than their private sector counterparts.⁶⁷ Due to this inequitable pay, almost 25% of all human services workers qualify for SNAP benefits.⁶⁸ Furthermore, research performed by the Center for New York City Affairs found that 75% of those employed by the human services sector identify as a person of color and 70% identify as a woman.⁶⁹ With these limitations in place, it makes it difficult for nonprofit employees to adequately satisfy their basic needs while also exacerbating the racial and gender wealth gap in NYC.

In addition to this testimony, Philanthropy New York has been an active supporter of the Human Services Council's *#JustPay* Campaign. The goal of this campaign is to enact a wage floor of \$21 an hour for health and human services contracts and an automatic annual cost-of-living adjustment on human service contracts to counter ongoing inflation. Furthermore, PNY is ready to support policies at the city, state, and federal level that promote the creation of measures to track the true cost of living. Lastly, we released a policy statement in September expressing our support for amending New York City's charter to require a cost of living measure.

One of Philanthropy New York's key values is equity, which is embedded in all levels of our work. We acknowledge that institutional philanthropy stems from systems rooted in inequity. We recognize that we have both the opportunity and responsibility to engage the sector's power and privilege to dismantle these systems of oppression. The issues before you today are about equity for the organizations and people who work everyday to make New York the great City that it is. Ensuring that employed individuals, including those in the nonprofit sector, are able to maintain a basic standard of living would significantly increase the impact of our member's grantmaking strategies. On time and in full contract payments, a living wage standard and equitable pay are all critical to addressing the city's inequitable contracting systems and the racial wealth gap that exacerbates the structures of poverty that Philanthropy New York members seek to address in their grantmaking.

Thank you for taking the time to listen to my testimony. I'm hopeful that with support from the City Council, we will be able to build a stronger and more vibrant New York.

⁶⁷Sequeira, Robbie. "Proposed Legislation to Increase State Minimum Wage Could up NYC Wages to \$20 by 2025." Bronx Times, April 29, 2022. <https://www.bxtimes.com/legislation-increase-state-minimum-wage/>.

⁶⁸"Inflation in the New York City Metropolitan Area." Office of the New York State Comptroller. Accessed December 1, 2022. <https://www.osc.state.ny.us/reports/inflation-new-york-city-metropolitan-area>.

⁶⁹"Best Room & Home Rentals Experience." Bungalow. Accessed December 1, 2022. <https://bungalow.com/articles/10-most-expensive-cities-in-the-u-s#2-new-york-ny>.

⁷⁰"Living Wage Calculator." Living Wage Calculator - Living Wage Calculation for New York County, New York. Accessed December 1, 2022. <https://livingwage.mit.edu/counties/36061>.

⁷¹"Racial Dimension of Income Inequality - Fiscal Policy." Accessed December 2, 2022. <http://fiscalpolicy.org/wp-content/uploads/2017/03/Racial-Dimension-of-Income-Inequality.pdf>.

⁷²Comptroller.nyc.gov. Accessed December 2, 2022. <https://comptroller.nyc.gov/reports/the-economic-impact-of-nyc-nonprofit-organizations/#:~:text=NonProfit%20Employment%20as%20Percent%20of,private%20employment%20in%20the%20City>.

⁷³"Essential or Expendable? How Human Services Supported Communities Through COVID-19 and Recommendations to Support an Equitable Recovery." Human Services Council, June 2021. <https://humanservicescouncil.ftlbcn.net/wp-content/uploads/2021/06/HSC-Taskforce-Report-Essential-or-Expendable-How-Human-Services-Support-Communities-Through-COVID-19.pdf>.

⁷⁴Moncrease, Seth. "The Case for Ending Poverty Wages for New York City's Human Services Workers." Center for New York City Affairs. Center for New York City Affairs, March 15, 2022. <http://www.centernyc.org/reports-briefs/the-case-for-ending-poverty-wages-for-new-york-citys-human-services-workers>



Testimony before the New York City Council
Committee on Contracts
Jointly with the Committee on Aging and Committee on Youth Services
January 30, 2023

Katie Bower, Chief Housing and Shelter Officer
Project Renewal
www.projectrenewal.org

My name is Katie Bower and I am the Chief Housing and Shelter Officer at Project Renewal, a New York City homeless services nonprofit agency. We thank Speaker Adams, Youth Services Chair Stevens, Contracts Chair Won, and Aging Chair Hudson, and fellow Council Members for this opportunity to testify.

For 55 years, Project Renewal has provided shelter, housing, health care, and employment services to hundreds of thousands of New Yorkers experiencing homelessness. We especially focus on those affected by mental illness, substance use, and criminal justice involvement. We are grateful to the entire City Council for your support of our programs.

Project Renewal currently has more than 950 employees. The vast majority are human service workers on the front lines of our city's homelessness crisis. They provide critical services at our shelters, transitional and supportive housing, kitchens, medical clinics and mobile vans, mental health and substance use treatment programs, and workforce development programs.

Despite doing some of the most important and challenging work, these frontline employees—like the rest of the human services workforce—are some of the lowest paid workers in our city's economy.

Unfortunately, the hands of human services nonprofits like us are tied. The government contracts we rely on either *directly* set low salary levels, or do so *indirectly* by establishing low rates for services along with required staffing levels on a contract. And salaries are often stagnant because these contracts last at least five years. We are grateful for the Council's advocacy through the Just Pay campaign to ensure that funding is baselined in the FY23 budget for human service workers, but affirm that this is only the first step and we must go further.

As a result, Project Renewal's turnover rate is 36% and we currently have 122 staff vacancies—neither figure is uncommon in the broader sector. The result is unsustainable workloads. And, more than half of our employees are women and 80% are people of color, which also mirrors the sector. So, this issue is incredibly consequential to the fight for race and gender equity.

We thank Council Member Stevens for introducing this legislation to establish prevailing wage requirements for city-contracted human services workers. But it is imperative that there is appropriate funding for this bill.

There must be a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts so that this bill does not become an unfunded mandate. The

Administration, City agencies, Comptroller, City Council, and human services providers must be brought together to lift wages and ensure there are no unnecessary administrative burdens.

Issues with cash flow due to late payments on city contracts also pose a massive challenge to human service providers and workers. We applaud the proposed legislation to address the late contracting issues that providers continue to face.

Although the City cleared the backlog of more than \$4 billion in unpaid contracts, late payments are still an issue. Setting procurement timeframes can help address the delays facing the sector.

Fairly funding nonprofit providers so we can pay human service workers a prevailing wage, and implementing practices to address late contract payments will go a long way towards enabling providers like us to deliver the quality services our communities need.

Thank you, again, for this opportunity to testify.



Jan 30 @ 1:00 PM - Committee on Youth Services (Jointly with the Committee on Aging and the Committee on Contracts).

Good Afternoon Everyone. My name is Wesley Vasquez and I am a Community Organizer at RiseBoro Community Partnership. We are a 501c3 Non-Profit based in Bushwick, that currently serves thousands of New Yorkers across health, Youth services, senior services and housing.

Firstly, I would like to thank the chairs and the members of the Contracts Committee, Aging Committee, and Youth Services Committee for the opportunity to testify before you today and for your leadership on issues that deeply impact human services workers and organizations across New York City.

I would also like to take a second to thank each Council member for their commitment to ensuring that a prevailing wage requirement is established for city-contracted human services workers.

But I want to make one thing clear. We must ensure that this bill receives the proper funding it needs and deserves. We must not let this bill become another unfunded city mandate that gets left on the sidelines. Human service workers, such as healthcare workers, child care providers, and Case workers, provide essential services to our communities. These workers deserve to be paid fairly and not have to struggle to make ends meet. By establishing prevailing wage requirements, the city council can help ensure that these workers are not only treated fairly, but that they can provide quality services to those who depend on them.

Additionally, research shows that fair wages lead to greater job satisfaction, employee retention, and improved services for those who rely on these services. This also sends a clear message not just to city-contracted human-service workers but to other big cities alike that New York City values the work of these human service workers and that they are essential to our communities.

The establishment of prevailing wage requirements for city-contracted human service workers is essential to ensuring that these workers receive fair pay for their work. This benefits both the workers and the communities that they serve. Let us work together to make this a reality in our great city. Thank you.

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Testimony of Liz Roberts,
CEO, Safe Horizon

Committee on Contracts
Hon. Julie Won, Chair

Committee on Youth Services
Hon. Althea Stevens, Chair

Committee on Aging
Hon. Crystal Hudson, Chair

Safe Horizon's Testimony

1.30.2023

Good afternoon and thank you for the opportunity to provide testimony before the Committees on Contracts, Youth Services, and Aging. My name is Liz Roberts, and I am the CEO of Safe Horizon, the nation's largest nonprofit victim services organization. Safe Horizon offers client-centered, trauma-informed help to 250,000 New Yorkers each year who have experienced violence or abuse. Safe Horizon's mission is to provide support, prevent violence, and promote justice for victims of violence and abuse, their families, and communities.

We are grateful that this hearing is happening today. To be frank, the nonprofit human services sector is in crisis. Our community of providers is still suffering from the lasting impacts of the pandemic – a pandemic that exacerbated systemic inequities. I hope this hearing will be a meaningful step towards righting historic wrongs, including the chronic underfunding of the nonprofit human services sector on which our City government relies. Ultimately, we ask the City Council and the Administration to work together to ensure that nonprofit human services workers are paid a living, competitive wage and that the organizations contracted to provide essential services are paid by the City adequately and on time. Safe Horizon supports Int. 510, Int. 511, and Int. 514, and we offer the following insight and feedback to make sure these bills do what they are intended to do – support human services workers and our community of providers.

Int 0510-2022

We are grateful to the New York City Council, including Chairs Stevens, Hudson, and Won, for recognizing the urgent need to address the historically inadequate wages that so many staff in the nonprofit human services sector receive. We must reject the long-standing belief, reinforced time and again through contracts that fail to cover the full cost of service delivery, that the efforts of those who feed, shelter, and ensure the safety of vulnerable New Yorkers can be purchased at a discount. The fact that the lowest wages in our sector are for positions overwhelmingly filled by people of color, and specifically, Black and brown women, is a stark example of the systemic racism that is built into our government contracts.

Safe Horizon shares your commitment to providing a living, competitive wage to all of our dedicated staff. As an organization, we have made a commitment to pay equity and we have are prioritizing staff salaries. But we need the support of our partners in government to achieve that goal. It is imperative that adequate funding is attached to this bill and that this bill does not lead to another unfunded mandate for human services organizations. Government is the predominant funder of our services and of human services in general. Government is also the main driver of human services salaries by setting salary rates on contracts and establishing costs for each unit of service on our contracts. Nonprofit organizations simply cannot lift human service workers' wages without the necessary funding from government.

The human services nonprofit sector is dealing with a sustainability crisis. Organizations across the sector continue to lose staff because wages are not comparable to wages in the government and private sectors. Hiring and staff retention continue to be major issues across the field. Vacancies and staff turnover directly impact our clients – survivors of domestic violence, runaway and homeless youth, and victims and survivors of violence and abuse across New York City. When staff leave for a better paying job in the private, for-profit sector, our programs must reassign cases, which is disruptive to the survivors coming to us seeking safety and healing.

Safe Horizon supports Int. 510, but we join our sibling organizations across the sector in advocating for a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts. Int. 510 must be funded so that this bill does not become another unfunded mandate. The Comptroller, City Council, and human services providers must be brought together for rulemaking and implementation to lift wages and ensure there are no unintended consequences or unnecessary administrative burdens that ultimately harm our organizations and consequently the New Yorkers we serve.

Int. 0511-2022

We are thankful that this City Council takes seriously the fact that human services providers continue to face late contracting issues. These contracting and payment issues deeply impact our programs and the survivors we serve. It is not unusual for us to wait a year, two years, or even longer to receive payment for work we have already completed. We have seen some movement on our contracts in the past year, and we are grateful for the Adams' administration's efforts. But we need lasting, systemic changes. Setting – and enforcing – procurement timeframes can help ameliorate the procurement delays facing our entire sector.

Delays are especially harmful to the small, grassroots and community-based organizations that we partner with across New York City. Safe Horizon is proud to administer the Domestic Violence and Empowerment (DoVE) Initiative on behalf of the City Council. We hear directly from DoVE organizations of all sizes across the five boroughs about how delays in contracting and delays in payment are impacting their services and their capacity to help survivors. We are hopeful that procurement timeframes will address some of the issues facing the sector and ensure the long-term sustainability of organizations that provide life-saving services every day.

Int. 0514-2022

Safe Horizon is also thankful that the City Council believes in increasing transparency of the procurement process. Although we support the development of a procurement database to shine a light on procurement processes, we must ensure that this does not create additional administrative burdens for providers. We know that Int. 514 is intended to help nonprofit organizations, but we also know that reporting requirements and data inquiries often trickle down from City agencies to providers. Human services organizations that contract with the City already use PASSPort. Providers should not be responsible for inputting additional data into a new database. Rather, City agencies should be mandated to be responsible for any new procurement database. This will allow organizations across the sector to focus on service delivery rather than navigating additional administrative burdens.

Thank you for your time, and I am happy to answer any additional questions.

**Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time
Testimony - Sakhi for South Asian Women
January 30th, 2023**

Hello, my name is Malini Khorana and I am the Director of Finance and Operations for Sakhi for South Asian Women "Sakhi". Sakhi exists to represent the South Asian diaspora in a survivor-centered movement for gender justice. We honor the collective and inherent power of all survivors of violence.

For 34 years, Sakhi has been the only organization explicitly addressing gender-based violence in NYC's South Asian community. As we know, the South Asian diaspora is the fastest growing immigrant group in New York City and an alarming 48% of South Asian Americans experience gender-based violence through the course of their lifetime. Our work is an essential part of New York City's social services and the need for our work is growing each year. From 2021 to 2022, Sakhi experienced a 35% increase in cases and a 24% increase in helpline calls. In addition to the unprecedented demand for our work, Sakhi has faced an increased demand in addressing housing, food and economic insecurity as a result of the COVID-19 pandemic.

Survivors in our community come to Sakhi because we center healing and safety through a trauma informed lens. All Sakhi's Direct Service staff are bilingual, and many are fluent in multiple South Asian languages. Most importantly, we are survivor-centered and survivor-led in all aspects of our work.

Through our unwavering commitment to serving survivors, Sakhi has had to maintain our fiscal operations through periods of grave uncertainty, including the COVID-19 pandemic. Currently, Sakhi's New York City Council grants comprise approximately 10% of our annual operating budget. And yet, I, along with members of my team, spend anywhere between 15% - 20% of our time processing these grants. While the support from the City Council is appreciated and is intended to do good, the administrative burden sabotages those intentions. From contract requirements, to contract registration, to invoice submission, and finally payments – each step in the process is burdensome and riddled with delays.

While each agency-- MOCJ, DFTA, DYCD-- has similar requirements, they each also have distinct expectations with respect to both document uploads as well as invoice submission. For example, as it relates to document uploads - DYCD wants insurance certificates to be mailed to a specific email address whereas other agencies want insurance certificates to be uploaded directly in Passport.

As an example regarding invoice submission, DFTA wants us to re-input our budgets and supporting documents into HHS Accelerator, submit individual monthly invoices through HHS Accelerator while DYCD works with an outside agency (YMS) that requires a completely different set of supporting documentation sent to them through email.

There is also unnecessary duplication of effort as far as documentation is concerned. Several documents such as the Conflict of Interest Disclosure, Certification of Client Abuse & Neglect,

Lobbying Certification, Tax Affirmation, EO64, Brokers Certification are required by each individual agency. It would be very helpful and efficient if these documents are uploaded in a central section once versus us having to upload multiple times for each contract for each agency.

In addition to having to navigate through multiple agencies, the receipt of funds can take anywhere from 6 to 12 months. For organizations that are serving the most vulnerable New Yorkers, many of us are also subject to cash-flow issues because of this inefficiency. At Sakhi, we received our FY 2022 payment from MOCJ in the last few weeks, after following up for over a year. The burden of this process is embarrassing and no organization should be subjected to this level of labor to receive funds for services committed.

I am here today not only to provide insight into our experience but to also serve as a partner in fixing a broken system. As some of you may know, Sakhi is a member of The Collective, a group of culturally specific, gender justice organizations and organizers that work for immigrant and BIPOC survivors in New York City, that work for immigrant and BIPOC survivors in New York City. In 2022, The Collective drafted policy recommendations for the New York City Council, and this exact issue is part of our policy agenda. The recommendations that we made are attached to this testimony and it is my hope that you will read it in detail and enact upon the deficiencies that continue to mar our system. New Yorkers, survivors and the nonprofit agencies that tirelessly serve them deserve better. Thank you for your time today.



THE COLLECTIVE

A bold and transformative vision for a survivor-centered New York City

WHO WE ARE

The Collective works to center immigrants, BIPOC and survivors in policy-making efforts that address Gender Based Violence (GBV) in New York City. We are uniquely positioned for this work because we are the only group of culturally specific, gender justice organizations and organizers that work for immigrant and BIPOC survivors in New York City. We are bold innovators and courageous activists seeking change from within our communities, in solidarity with others. We work at the intersections of gender, racial and cultural discrimination, immigration and violence.

The Collective is represented by the Executive Directors and CEO's of Arab-American Family Support Center, Korean American Family Service Center, Sakhi for South Asian Women, Sauti Yetu Center for African Women and Families, Violence Intervention Program and Womankind.

WHY WE CAME TOGETHER

Too often decisions that affect BIPOC and immigrant survivors are made without the leadership and involvement of our communities. Our participation in decision making forums is often marginalized, silencing the collective wisdom of immigrant and BIPOC women, girls, trans and gender non-conforming immigrants. When included, our communities' voices are often tokenized instead of being meaningfully situated at the center of bold, effective, lasting solutions.

This is a time of multiple intersecting crises - pandemic, economic and social collapse, racial injustice-- and they have disproportionately impacted Asian, Black, Latinx and immigrant survivors and their communities. Food insecurity, mental health needs, intimate partner and community violence and anti-Asian and anti-Black violence are all on the rise. At the same time, there is also an opportunity for bold and collaborative change through partnerships among community-based leadership and newly elected officials who share our vision for peaceful, prosperous communities.

Low-income immigrant and BIPOC survivors are often prevented from accessing services that meet their needs, or fear that claiming them will create risks to their immigration status and the possibility of incarceration. Economic destabilization has a direct correlation to community crime, and it is well-documented that external stressors such as unemployment and limited income contribute to higher rates of domestic violence as well. Culturally specific, community-

based organizations have a trusted presence for people who may never otherwise access support to address gender-based violence. We are also a critical bridge between informed policy and empowered communities.

OUR POLICY PLATFORM

We have a bold vision for survivor liberation and healing justice and we bring pragmatic solutions for New York City to be the most survivor-centered city in the country. We are focusing on the following priorities:

- **Creating and improving economic and housing security for survivors of color, inclusive of immigrants**
- **Holding government administration accountable to survivors**
- **Investing in mental health and healing**

We invite the incoming City Council and Mayor to join us in meeting the urgent, immediate needs of immigrant survivors, and contributing to longer term systemic changes for a more gender just, equitable New York City. Our policy recommendations are listed under the three main umbrellas referenced above.

I. Creating and improving economic and housing security

Establish new and increased financial and housing security nets for immigrants

- A. Allocate city funding to provide public benefits for all income-eligible New Yorkers, regardless of immigration status. Making undocumented single adults and all family members of a mixed status household eligible for benefits will help catapult people out of poverty and create stability for immigrant survivors navigating and/or fleeing violence. Public benefits include, but are not limited to cash assistance, health insurance and housing vouchers.
- B. For open, active public assistance cases, require that the NYC Human Resources Administration issue benefits cards to all adults in families with no children, and all parents (adults and youth parents) for households with children. This will ensure that people fleeing domestic violence continue to have access to their public benefits if they leave the home they share with an abusive partner or family member.
- C. Collaborate with the NY State Office of Court Administration to include adequately trained NYC Human Resources Staff at Family Courts. This will support Family Offense petitioners who need to create a separate benefits case at the time of filing for an order of protection, increasing access and reducing barriers to benefits for survivors and their families.
- D. Continue to provide survivors unencumbered Covid-19 relief to promote economic recovery during and after the pandemic.
 1. Ensure that any emergency assistance funds go directly to community-based organizations (CBO's), with priority to culturally specific organizations focused on gender-based violence.

2. Allow CBO's to establish eligibility requirements.
 3. Establish relief based on need; without undue and burdensome requirements.
- E. Protect government-issued relief payments such as child tax credit payments, as well as tax refund payments, from misuse and theft by abusive partners and family members. This requires that the city define parameters for survivors to redirect relief monies from the person that inflicts harm on them. This will prevent financial abuse and support the economic well-being of those being financially exploited by abusive partners and family.
 - F. Invest in training and practices that protect survivors' access to tax services through City-funded programs (like VITA sites). Tax services are critical economic services to people who have or are in the process of separating from an abusive spouse or partner.
 - G. Build more permanent housing for gender-based violence survivors and any household members who have mixed immigration status. We are all aware that options for permanent, affordable housing are limited for all indigent New Yorkers. For individuals and families recovering from the trauma of gender-based violence, supportive permanent housing is key to ensuring ongoing financial security. Require developers and landlords to set aside units for survivors.
 - H. Simplify the housing voucher process to improve access for immigrant survivors. The current process creates unnecessary barriers that limit the number of eligible immigrants for obtaining and redeeming vouchers that would otherwise support their economic security and increase their safety.
 - I. Develop new housing subsidies for families who are rent poor/burdened, but not income eligible for public assistance. Housing security should be available to all New Yorkers. For too long, those who are considered the "working poor," "working class" or "lower middle class" have struggled to keep a roof over their heads while managing other basic life needs without any assistance to pay for rising rents. Creating new subsidies that help support these survivors will prevent homelessness and increase overall safety.
 - J. Provide free internet for the homes of income-eligible survivors and their families. A hard lesson learned in the pandemic is that the digital divide for low-income survivors was literally a matter of life and death if they were unable to access online and remote services. Providing free internet to the homes of income-eligible survivors will bridge this gap and put New York City at the forefront of the urban solution to this deeply harmful divide.

II. Holding government administration accountable to survivors

Improve government coordination to better serve survivors

- A. Ensure the leadership and representation of survivors of color and culturally specific, survivor-led CBOs in all policy fora where decisions are being made that affect them. Do not tokenize or exploit our thought leadership.
- B. Increase quality and transparency of data collection and sharing for improved decision-making by city agencies. This will deepen our understanding of obstacles to safety and

highlight patterns and priorities for improved collaborative responses to gender-based violence.

1. Ensure better inter- and intra-agency data sharing so as not to re-traumatize survivors by requiring multiple retellings of their abuse history. Obtain survivor consent and authorization in order to share information.
 2. Publicly share data with providers and community leaders regarding utilization of services by survivors and unmet requests/needs. Share information about inter-agency coordination.
 3. NYC Human Rights Law establishes the protected status of survivors of DV, sex offenses and stalking (DV/SO/Stalking) against discrimination in housing and employment (New York City Human Rights Law (Title 8 of the Administrative Code of the City of New York)). However, little information is available about the utilization and impact of this law. The following will provide greater insight to the use and potential improvement of this protection:
 - a) Share data collected on monitoring, enforcement and outcomes of protected status of survivors.
 - b) Share the working definitions/categories that qualify as “DV/SO/Stalking” and the framework and methodology used in data collection
 - c) Meet with survivors and culturally specific organizations to review data together and provide opportunities for questions and feedback about how to strengthen application of this protection.
- C. Increase transparency in city agency leadership and workflows as follows: release organizational charts with contact information for all leadership and key administrative roles, including designations of work responsibilities for specific initiatives and contract management.
- D. In order to improve efficacy and efficiency of Domestic Violence Liaison (DVL) at the NYC Human Resources Administration, the administration should:
1. Implement an awareness and information campaign to ensure that community members are aware of this resource and how to access it.
 2. Share data related to efficacy of the liaison structure and outcomes connected to DVL efforts.
 3. Conduct an evaluation process of the DVL structure and efficacy.
 4. Hold regular meetings between gender justice organizations, DVL’s and key HRA leadership/administrators.
- E. Remove HRA requirement that DV shelter residents and non-residential service clients disclose identifying information as a prerequisite for receiving city-funded services (HRA Residential and Non-Residential contracts, specifically).

Improve city contracts to better engage small, community-based non-profits serving BIPOC immigrant survivors

- F. Increase transparency of City Council’s budgeting and allocations process to ensure abundant representation and distribution of funding to culturally specific groups.
- G. Require contractors to provide a higher minimum wage AND increase contract amounts to reflect increased cost to providers.
- H. Provide significantly increased advances for city contracts at the beginning of every new contract year. This will ensure that nonprofits have the cash flow required to support a dedicated workforce providing critical human services to survivors and their children.
- I. Cover all associated costs, including interest paid for loans and lines of credit, when nonprofits are forced to find ways to financially manage cash flow and budgets due to delays in payments pursuant to city contracts.
- J. Provide greater equity for BIPOC/immigrant-led GBV groups to receive discretionary funding through City Council city-wide initiatives. For example, require that a minimum percentage of grants be directed to organizations led by women, non-binary and trans people of color.
- K. For city contracts that are intended to serve specific populations, adjust the RFP requirements so that the population itself is specified, instead of the geographic area. This will enable culturally specific organizations to better serve their communities. Specifically, review and revise the current practices for ACS Preventive contractors and HRA Non-Residential service providers.
- L. Pay full costs associated with contract implementation, including full indirect costs. At this time, no city contract covers the full cost of its implementation, requiring nonprofits to function on scarcity budgets, pay low wages and otherwise direct staff time to administration instead of serving survivors in crisis. Increasing indirect cost allocations will better enable us to provide life-saving services to those facing abuse.
- M. All of Collective members support the #JustPay campaign coordinated by the Human Services Council. Please click this link to see details about the need for Cost of Living Allowance increases, living wages for our employees and equitable pay scales on par with government wages: <https://www.justpayny.org/>.

Facilitate survivors’ access to their legal documents

- N. Provide expedited procedures for parents fleeing violence to obtain birth certificates, marriage certificates, and any other City-archived documents at no cost.

Improve language access/justice across all city agencies

- O. Conduct a thorough evaluation of current language access practices at all City agencies to identify challenges and obstacles in interpretation/translation.
 - 1. Based on that evaluation and in consultation with culturally specific CBO’s, require improved internal quality controls within City agencies and continue ongoing evaluation to ensure excellence in language access.

Reimburse culturally specific CBOs for services provided through the NYC Family Justice Centers

- P. Currently, only a few organizations are paid for the services they provide at FJC's. This benefits the larger mainstream groups and requires free services provided by smaller, often culturally specific organizations. It is an inequitable model that results in funding for largely white-led organizations instead of investing in smaller, culturally specific groups often led by women of color. Estimate and cover the full cost (plus admin/indirect) to every provider who is providing services onsite and/or accepting referrals from the FJC's.

III. Mental Health And Healing

Invest in Culturally Affirming Mental Health and Counseling

- A. Establish a fund that will invest in programs providing culturally specific mental health and counseling services. This will ensure that all survivors receive quality, specially tailored care that addresses specific cultural context for their experience of mental health and trauma-related challenges.
- B. Invest in peer counseling training for survivors. Isolation and alienation are common experiences of gender-based violence. Training survivors to support one another strengthens healing and creates networks of mutual support.

CONTACTING US

Below, please find the names and contact information for the Executive Directors or Chief Executive Officers of the members of the Collective.

Arab American Family Support Center: Nancy Albilal, r.nancy@aafscny.org

Korean American Family Support Center: Jeehae Fischer, jeehae.fischer@kafsc.org

Sakhi for South Asian Women: Kavita Mehra, kavita.mehra@sakhi.org

Sauti Yetu Center for African Women and Families: Zeinab Eyega, zeyega@sautiyetu.us

Womankind: Yasmeen Hamza, yhamza@iamwk.org

Violence Intervention Program: Margarita Guzman, mguzman@vipmujeres.org



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**Written Testimony
Submitted to The New York City Council
Committee on Contracts
Oversight Hearing of the Joint Task Force to Get Nonprofits Paid on Time
February 2, 2023**

This written testimony is submitted to the New York City Council Committee on Contracts, Committee on Youth Services, and Committee on Aging in response to their joint hearing held on Monday, January 29 on “Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time.” As NYC’s leading provider of wrap-around clinical, legal, economic empowerment and shelter services exclusively for survivors of domestic violence, sex trafficking, and related forms of gender-based violence, Sanctuary is extremely grateful to these three committees for taking on this challenging, seemingly intractable issue.

Sanctuary for Families has over 200 staff spread out across five offices, five shelters and a public hospital-based trafficking victim service center. These staff provide dedicated, high-impact services including licensed mental health counseling for adults and children; emergency and transitional shelter; legal advice and representation; and career training and placement—which reach 7-8,000 adults and children/teens annually. These services are available in 30 languages spoken by staff (and many more through volunteer translators as well as a 24-hour language line), and are supplemented by a broad program of community preventive outreach and trainings that reach many thousands more concerned New Yorkers—from immigrant groups, to school children and teens, to professional audiences including judges, pro bono attorneys, and healthcare professionals.

While Sanctuary has been able to maintain a diverse portfolio of public and private funding sources, we rely heavily on our City contracts, which total over \$6 million annually

for non-residential services (in addition to \$4.5 million in annual shelter reimbursements). Unfortunately, like countless other human service agencies that rely on City funding—from the largest, citywide entities to small community-based providers—Sanctuary waits months, even years, to be reimbursed for services already delivered to many thousands of vulnerable New Yorkers. Our peer non-profit providers will not be surprised by the details, but other stakeholders who hear these details are understandably shocked: as of June 2022, Sanctuary's total City receivables were \$6.4 million **for FY2022 alone**, and an additional \$5.6 million from prior years. As of December 2022, we have collected \$4.1 million against this aggregate outstanding balance.

Contributing to these large receivables is the fact that Sanctuary has a number of contracts for prior years that have not even been executed to allow for payments. For example, we have two multiyear contracts supporting the salaries of 23 full-time family law and children/family services staff (10 attorneys and paralegals; and 13 counselors and children's activity leaders). Seven months into the current fiscal year, we do not have executed contracts for FY2023, and for Family Law, **we do not even have executed contracts for FY2021 and FY2022**. We have thankfully seen some movement on these in the past six months, with invaluable advocacy assistance from our partners at the Mayor's Office to End Domestic and Gender-Based Violence (ENDGBV).

Another example: for Sanctuary's City Council discretionary contracts, which generously support a wide range of legal and clinical services, we are rarely reimbursed within the same fiscal year for services provided that year. No payment was received on any FY22 City Council funding until FY23, and our final FY22 City Council contract was just executed this week (on January 31, 2023). As of today, only one of our FY23 City Council contracts has been executed—actually, the sole contract not administered by a City agency (the Department of Health & Mental Health has enlisted another nonprofit, Public Health Solutions, to manage their contracts).

Even when contracts are executed, there are often delays in payment. We have seen inconsistency in how City agencies adhere to the Standard Health and Human Service Invoice Review Policy released in January 2021. We spent a significant amount of time in

FY22 trying to address new, often seemingly arbitrary budget requirements that are not standardized across agencies, or even within different units of the same agency. It would be extremely helpful if all City agencies were consistent in what they require for contract budget submission and invoice processing.

Year after year, Sanctuary delivers consistently high-quality, life-saving services reaching thousands of vulnerable abuse survivors and children upon promise of payment, and is “out of pocket” millions of dollars in salaries, fringe, and other program costs for periods ranging from 6-8 months to four years or more. Maintaining sufficient cash flow without reimbursements over many months or years is profoundly challenging with such delays. No contractor in any industry should be expected to wait so long to be paid for services they have delivered in good faith. In many industries, work does not even begin until a signed contract is in place.

City contracting agencies have highlighted the availability of advances to soften the blow of payment delays. Advances of up to 25% are indeed available, but only after a contract is executed. As previously noted, the execution itself can take months or even years, during which time Sanctuary and many other organizations continue to provide services. Advances should be available at the point of an award, and not dependent on contract execution.

We applaud the efforts of the Joint Task Force to Get Nonprofits Paid on Time to tackle this thorny issue—one which has been discussed for years, yet continues to be in need of significant improvement. Thank you for the opportunity to submit this testimony, and please do not hesitate to contact Sanctuary for Families if you have any questions.

January 30, 2023

My name is John MacIntosh, I am the Managing Partner of SeaChange Capital Partners a nonprofit which has been active since 2008 helping New York city's nonprofit work through complex challenges by offering grants, loans, analysis and advice. Thank you for the opportunity to speak with you today.

As you know, nonprofits are vital partner to New York city government. Yet the partnership had traditionally been far from fair or just. We have seen first-hand in our role as a lender that too often city has often treated it nonprofit partners shamefully particularly with respect to late payments and overwhelming, mind-numbing paperwork. There are many people with long experience in city government who are deeply pessimistic that real change is possible. They cite the paranoia-driven procurement rules that come from the history of fraud in the 70s and 80s – remember Donald Manes? – and the obvious power imbalance when a large and complex bureaucracy contracts with a fragmented, mission-driven sector where few organizations have the power to say no or push back. But I am optimistic. I think that this administration has some terrific people in place and that recent initiatives – the Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time, the creation of Mayor's Office of Nonprofit Services -- can make a positive difference. I am also supportive the bills being discussed today provided you get the details right.

First the easy one: The Public procurement database. This is a great idea. PASSPortPublic has already been a huge aid to transparency for which MOCs should be congratulated. No organization has used PASSPort Public more than SeaChange. But one drawback is that PASSPort Public has catch-all procurement status "In Progress" which is a big blackhole where contracts sit for a long time

until they get very close to being registered. It should really be labelled “Who the Hell Knows?” so the proposal to expand it, and one hopes, provide a history of status changes would give nonprofits have more visibility into what is going on and give outsiders – like SeaChange – more information to keep agencies accountable. It would also be helpful to include EIN#s so Passport and CheckBook NYC can be more easily linked to one another and to other databases.

I am also supportive of amending the administrative code of the city to set time limits for the procurement process. However, I urge the Committee to consider other ways to address the endemic problem of late registration of discretionary awards. As of last week, more than halfway through the fiscal year, only 5% of the awards have been registered. 5%. And the proposed time-limits will not apply to 75% falling below the \$100,000 small purchase limit. I wish small discretionary awards could be treated as grants the way DCLA does in support of arts and culture nonprofits. If this is not possible, I would consider a very simple, almost fill in the blank contract – amount, organization description of services — because working up a line-item contract for a \$30,000 is insane, and demoralizing, and everyone knows it.

Finally, I support the proposed legislation require payment of prevailing wages to human service workers working pursuant to City contracts. Notwithstanding the difficulties of calculating prevailing wage in human services – or in ensuring that the bill does not impose inordinate burdens on the nonprofits – the basic intention of the bill – pay people fairly, pay people more -- is what nonprofit leaders want to do not only because it is right but because it will help with recruitment and retention. Unlike for-profits, nonprofits they have no incentive to scrimp on pay for staff to keep the money for themselves. So why don't they? Because the city does not pay the enough! In fact, the only way that can do it is if there a binding commitment that

the city will never – ever – enter into a contract with human service providers unless it covers the full costs of the service including the payment of prevailing wages. People are their biggest cost and there is simply no way – no way – that they can raise more philanthropy to pay higher staff costs. Zero, None. They are already raising as much as they can and are already – and always – right on the brink. I am no lawyer, but it seems to me passing the bill without also prohibiting agencies from entering into contracts that do not fully cover the associated costs would make the contracting process a form of “fraud in inducement”- tricking nonprofits into entering into contracts that provide insufficient funds to satisfy their legal obligations.

There is some soft language about “commencing to amend” contracts “to the extent permitted.” This is not strong enough. In fact, city should not be able to bring a case against any nonprofit under the proposed law unless it can demonstrate that the nonprofit *could* have paid prevailing under city funding but simply chose not to. Why a nonprofit would do this, I can’t imagine.

Thanks for your time.



TAKEROOT JUSTICE

TakeRoot Justice provides legal, participatory research and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic and social oppression.



*fighting predatory equity and tenant harassment
organizing nyc tenants for the right to stay in our homes and communities*

Testimony Concerning:

Oversight - Nonprofit Contracting and the Joint Task Force to
Get Nonprofits Paid on Time
January 30th, 2023

Presented Before:

Joint Committees on Aging, Youth Services, and Contracts
NYC Council Committee on Youth Services Chair Althea Stevens
NYC Council Committee on Contracts Chair Julie Won
NYC Council Committee on Aging Chair Crystal Hudson
NYC Council Speaker Adrienne Adams

Presented By:

Jackie Del Valle

[Stabilizing NYC](#) Coordinator

[TakeRoot Justice](#)

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jdelvalle@takerootjustice.org

Below is my testimony. For the hearing, I will be reading a smaller blurb located at the bottom of this testimony.

Good afternoon and Hello!

My name is Jackie Del Valle from **TakeRoot Justice** and the **Stabilizing NYC Coalition** or SNYC

I'd like to first thank Council Members Chairs Won, Hudson and Stevens for holding this oversight hearing and introducing legislation to improving contracting and payments to nonprofits. I appreciate all the Council Members who attended today. I have been very impressed by the tough questions being asked and the persistence of the Council to hold MOCS accountable.

TakeRoot Justice provides legal, participatory research and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic and social oppression. Because we know that law and policy alone is not enough to shift massive power imbalances, we partner with organized grassroots organizations committed to fighting oppression, employing a unique model of partnership with grassroots and community-based groups. Our partners take the lead in determining the priorities and goals for our work, and advance our understanding of justice. Our work has greater impact because it is done in connection with organizing, building power and leadership development. We currently employ 50 people.

Stabilizing NYC is a 20-group coalition comprised of a legal service provider, a housing advocacy organization, and eighteen grassroots organizations who have come together to combat tenant harassment and preserve affordable housing for the New Yorkers who need it most. This coalition combines legal, advocacy and organizing resources into a citywide network to help tenants take their predatory equity landlords against harassment.

Scope of the problem

I have been directly working in **procuring awards for discretionary funding** for over 15 years and it's always been long and painful. I have *never* experienced getting my contracts registered in the same fiscal year we were designated the money. It typically takes an addition 4-6 months *after* the fiscal year ends.

For this current fiscal year TakeRoot Justice was awarded a little over \$2 million in discretionary funding. We have not received any of this money and our HPD awards, which include that SNYC Initiative, have not even begun the contract registration process. We also have not registered our FY22 contracts.

As the council and my colleagues have testified today, nonprofits receiving discretionary funding are asked to perform vital services, meet deliverables, run programs, pay and manage staff yet we do not see the money until long after the fiscal year has ended. This has been happening year after year- and these multi-year funding delays have compounded.

The nineteen other SNYC nonprofits are in this same sad, frustrating boat.

Stabilizing NYC is a \$3.70 million City Council Discretionary Initiative funding 20 groups, administered through HPD. For FY23, the Stabilizing NYC Coalition organizing members must complete a minimum of \$160,000 of tenant organizing deliverables. We must pay and support staff to do outreach, develop tenant associations and run building campaigns. We must pay and support staff to manage the burdensome administrative work of registering the contracts and reporting on deliverables. Yet most of the groups are waiting on our FY22 money, which began on July 1, 2021.

As of late January

- None of the FY23 contract registrations have been started
- Only 1 group has gotten their FY22 contracts registered but has not received any payments for the invoices they submitted

Sadly, this is not unusual but seems worse than ever.

- FY21 contracts took over a year for all groups to get registered, with most contract registrations happening at the end of 2021, 18 months after the contract started.
- This has been true for FY20, FY19, FY18 etc....

This is unacceptable and immediate action needs to be taken.

The solutions potentially fall into two buckets- 1) addressing the backlog of contract registrations and payments and 2) ensuring the process is better for FY24

For the **backlog at HPD** specifically we are asking for:

- 1. Groups to immediately receive a significant portion of owed money through advances or bridge loans from 7/1/2021 through 12/31/22**
 - a. Advances given or Bridge loans to be expedited for groups whose FY22 contracts not registered starting Feb.1, 2023
 - b. Advances given or Bridge loans to be expedited to groups for FY23 contracts not registered by April 1, 2023
- 2. HPD to hire more contract managers to process contract registration and invoicing so that the rest of FY22 and FY23 money can be paid to groups**
 - a. Commit to hiring and training enough staff to have the FY22 contracts registered by April 1
 - b. Commit to hiring and training enough staff to have the FY22 contracts submitted invoices processed and paid by June 30, 2023
 - c. Commit to hiring and training enough staff to have the FY23 contracts registered by July 1, 2023
 - d. Commit to hiring and training enough staff to have the FY23 contracts submitted invoices processed and paid by June 30, 2023

- 3. Monthly meetings with HPD, MOCS and council staff to address the contracting delays**
 - a. Provide updates on the status of contracts and invoices for each group
 - b. Identify & address bottlenecks and common issues with PASSPort and users
 - c. Identify & address training and support needs for the groups and agencies

For a better FY24, **there needs to be an on-going review of the procurement steps to identify and fix bottlenecks and redundancies in both the staggering and confusing amount of paperwork required and the process which the paperwork is reviewed by various agencies**

We applaud the legislation being introduced. Close monitoring through a taskforce (“procurement policy board”) and database to track compliance time and identify issues is a critical step and concur there must be reasonable timelines set for procurement and MOCS must streamline and improve the process.

- The enormous amount of paperwork required year after year to register each contract needs assessment
- This paperwork is not clearly requested- if one takes a look at MOCS ‘s page for non-profits right now, there are several key documents needed that are missing from their list.
- Further, the lag in processing this paperwork results in documents expiring and needing to be resubmitted.
- Process/ flow of paperwork is insane: I have seen glimpses of the flowchart from award issued to registration and it’s kafka-esque.

Why can’t the process for certifying Vendor responsibility to do work with the City and the individual contract registrations be separate processes? This would save an enormous amount of time for both the organization gathering and submitting all the paperwork- and the agency reviewer.

Starting in FY24 Community groups should be certified to receive city funding on an annual basis (Vendor responsibility determination). The certification dates can be staggered over the year to not overload MOCS.

1. Groups receive advances at the start of the fiscal year
2. Contracts registered within 6 months of getting an award. Not one to two years!
3. Community groups should be certified to receive city funding on an annual basis – the Vendor responsibility determination should be a separate process instead of being repeated with every distinct contract an organization holds in a fiscal year.
 - o The certification dates can be staggered over the year to not overload MOCS.

In conclusion, years of egregiously late payments on the HPD discretionary contracts have compounded and are jeopardizing the impact of my organization and the SNYC coalition. Organizations lose resources fighting not for their missions, but cash-flow solutions. These

multi-year funding delays hurt the low-income communities of color the Council intends to empower.

SNYC Groups

Asian Americans For Equality, Inc.
Banana Kelly Community Improvement Association
Catholic Migration Services
Chhaya Community Development Corporation
CAA AV
TakeRoot Justice
Cooper Square Committee
CASA/ New Settlement Apartments
Fifth Avenue Committee
Flatbush Tenant Coalition/ Flatbush Development Corporation
GOLES - Good Old Lower East Side
HCC- Housing Conservation Coordinators
MOM- Mary Mitchell Family and Youth Center
Met Council on Housing
Neighbors Helping Neighbors
Northwest Bronx Community and Clergy Coalition
Impacct Brooklyn
St. Nicks Alliance/ UNO
HOPE/ UHAB
Woodside on the Move

Read Testimony:

Good afternoon and Hello! My name is Jackie Del Valle from **TakeRoot Justice** and the **Stabilizing NYC Coalition** or SNYC.

Thank you Council Members for holding this hearing and the tough questions you are asking!

I have been directly working in **procuring awards for discretionary funding** for over 15 years and it's always been long and painful but things seem as bad as ever, despite having on-line/digitized portals and processes and a more committed administration.

As the council and my colleagues have testified today, nonprofits receiving **discretionary funding** are asked to perform vital services, meet deliverables, run programs, pay and manage staff yet we do not see the money until long after the fiscal year has ended. This has been happening year after year- and these multi-year funding delays have compounded.

For this current fiscal year my organization TakeRoot Justice was awarded a little over \$2 million in discretionary funding. We have not received any of this money and our HPD awards, which include that SNYC Initiative, have not even begun the contract registration process. We also have not registered our FY22 HPD contracts. The nineteen other SNYC nonprofits are in this same sad, frustrating boat.

For the backlog we ask, first and foremost, Groups to immediately receive a significant portion of owed money through advances or bridge loans.

Starting in FY24

- Groups receive advances at the start of the fiscal year
- Contracts registered within 6 months of getting an award. Not one to two years!
- Community groups should be certified to receive city funding on an annual basis – the Vendor responsibility determination should be a separate process instead of being repeated with every distinct contract an organization holds in a fiscal year.

Years of egregiously late payments on the HPD discretionary contracts have compounded and are jeopardizing the impact of my organization and the SNYC coalition. Organizations lose resources fighting not for their missions, but cash-flow solutions. These multi-year funding delays hurt the low-income communities of color the Council intends to empower.



**TESTIMONY OF
THE FORTUNE SOCIETY**

**THE COMMITTEES ON AGING, CONTRACTS, AND YOUTH SERVICES
OF THE NEW YORK CITY COUNCIL**

City Hall, Council Chambers,
New York, NY

Monday, January 30, 2023

SUBJECT: Intro. 510-2022

PURPOSE: To discuss the need to establish prevailing wage requirements for city-contracted human services workers.

Presented by

Lily Shapiro

Policy Counsel, David Rothenberg
Center for Public Policy

The Fortune Society
29-76 Northern Blvd.
LIC, NY 11101
(929) 599-7000 (phone)

Good morning Chairs Hudson, Stevens, and Won, and members of the Committees on Aging, Contracts, and Youth Services. Thank you for holding this hearing. My name is Lily Shapiro, and I am Policy Counsel at the David Rothenberg Center for Public Policy at the Fortune Society. All of the bills at issue are important to fair and effective partnerships between the City and non-profit providers. I am testifying specifically in support of Intro. 510-2022. We hope, however, that the final version of this bill will address the responsibility of city agencies, as well as providers, to ensure that staff are paid a prevailing wage comparable to analogous private sector and government salaries. Providers, like the Fortune Society, are hampered from doing so by under-resourced city contracts.

For 55 years, The Fortune Society has been providing essential services to some of our most vulnerable fellow New Yorkers. The people we serve are detained in our city jails, returning home from jail and prison, court-mandated to participate in our services in lieu of pre-trial detention, or otherwise impacted by the criminal legal system and with us voluntarily. We provide housing with robust wraparound supports, educational and employment services, substance abuse treatment, behavioral health services, arts programming, and so much more. This work has always been challenging and has become even more so over the past several years with the onset and continuing evolution of the COVID-19 pandemic. Like so many human services non-profits, we have struggled to retain staff and fill positions in this new world of work, given people's reluctance to work in person, which is critical for the kinds of services we provide. But the biggest challenge we face in retention and hiring is our inability, based in part on our city contracts, to pay qualified, motivated people a decent, living wage.

We are very proud to say that at Fortune, "we hire our mission." This means that we seek, whenever possible and appropriate, to hire people with conviction histories, particularly our program participants. Moreover, many of our staff are also people of color, since people of color are disproportionately impacted by the criminal justice system. This also means that many of our front-line staff – the ones who would most benefit from passage of Intro. 510 – are less likely to have significant financial resources outside of their paychecks from Fortune. In fact, some of them are forced to rely on public assistance to make ends meet.

One of my colleagues started with us as a voluntary participant trying to be the best father possible to his young child. He not only completed multiple programs, he became an intern and a peer recovery coach, providing support to others on similar journeys. We were thrilled to offer him a full-time position but despite his career goals and his desire to be a role model to his child, he hesitated. He hesitated because he knew that if he accepted our offer, he would wind up with less income than he received from various assistance programs. My colleague knew that if he came on full-time, he would have a harder time supporting himself and his child, for whom he'd finally been able to provide a separate bedroom. Nonetheless, he made that difficult choice to join us to build a career, and to provide other people with the kind of life-changing support he found in our programs. Nobody should have to make the choice to lose income to build a resume while providing critical services to our fellow New Yorkers.

The Fortune Society's policy and advocacy positions are shaped by the needs and interests of the people we serve and the expertise of our front-line staff. My front-line colleagues are human services workers who work tirelessly to help people in crisis, people in desperate need of housing and employment, and people struggling with addiction. Their hard work keeps all of us safer. We should honor their commitment and contribution by ensuring that our city contracts are structured to allow us to pay them a prevailing wage. For all human service workers, and particularly our staff who have transformed their own lives and now give back to our city through their hard work, offering a prevailing wage is the smart thing to do, the fair thing to do, and the right thing to do. Thank you for your consideration of Intro. 510-2022 and for suggestions from the field about how to strengthen it.



TESTIMONY: UJA-FEDERATION OF NEW YORK

New York City Council Hearing on Nonprofit Contracting

**New York City Council Committee on Aging
Honorable Crystal Hudson, Chair**

and

**New York City Council Committee on Youth Services
Honorable Althea Stevens, Chair**

Submitted by:

Faith Behum, UJA-Federation of New York

January 30th, 2023

Thank you, Chairperson Hudson, Chairperson Stevens and members of the Committees on Aging and Youth Services, for holding this hearing on nonprofit contracting and for the opportunity to submit testimony. My name is Faith Behum, and I am a Senior Advocacy and Policy Advisor at UJA-Federation of New York.

Established more than 100 years ago, UJA-Federation of New York is one of the nation's largest local philanthropies. Central to UJA's mission is to care for those in need—identifying and meeting the needs of New Yorkers of all backgrounds and Jews everywhere. UJA has more than 50 thousand engaged donors in the New York area, supports an expansive network of nearly 100 nonprofit organizations serving those that are most vulnerable and in need of programs and services, and allocates over \$150 million each year to strengthen Jewish life, combat poverty and food insecurity, nurture mental health and well-being and respond to crises here and across the globe.

UJA's network of nonprofits provides a wide range of human services to low-income and vulnerable individuals and families to address a myriad of needs including, but not limited to, early childhood education, afterschool and summer programs, senior services, fighting food insecurity, and behavioral and mental health care services. These services are managed largely through contractual relationships with New York City agencies that dictate who is eligible for the services, and how the services will be administered. Salary rates, costs per unit of service, as well as required staffing, are all determined by these contracts and ultimately the financial wellbeing of the human services workforce.

There is longstanding underinvestment in the human services sector, making it difficult for providers to keep up with the demand for services or holistically raise wages across all staff lines

without increased government funding. The average human services contract in New York pays only 70 cents on the dollar for direct program expenses. This chronic underfunding puts providers in the impossible position of taking contracts that neither pay fair wages nor fully fund services or turn down those opportunities—resulting in laying off employees and closing vital community programs.

Int 0510 would establish prevailing wage requirements for City-contracted human service workers, aiming to raise the wages of this underpaid workforce. UJA supports thoughtful investments in the human services workforce. However, there are a number of issues that must be addressed in Int 0510 to ensure that there is no negative impact on the nonprofits paying increased wages. First, additional money must be added to all human services contracts to fulfill the prevailing wage requirements. Nonprofits do not have the financial means to increase the salaries for their employees without additional money infused into their contracts. There must be a mandate on contracting agencies to pay a prevailing wage on all existing and new contracts with funding so that this bill does not become an unfunded mandate.

Second, not all employees at human services nonprofits are paid 100 percent through City contracts. When salaries are increased for contracted workers, there is an unintended spillover effect that must be addressed. If a higher wage floor were put in place, providers would have to find the funds to increase wages for workers not paid through City contracts, which would create undue burden particularly at a time when nonprofits are struggling more than ever. UJA implores the Administration and City Council to not overlook these workers and consider ways to support the full workforce.

Third, the wages of those in government and the private sector must be taken into account when increasing the wages of human services workers. Nonprofit employees often leave to work in similar positions in government or private industry due to the higher salaries that are offered. If human services workers' wages are raised without considering the wages of individuals performing similar jobs in government or private industry, nonprofit employees will continue to leave for these higher paying jobs.

In every nonprofit in UJA's network, finding and retaining qualified staff is consistently indicated as one of the main challenges facing organizations. Nonprofits cannot continue to have a positive impact on their communities without staff to lead these efforts. Investments must be made in the nonprofit workforce. The Administration, Comptroller, City Council and nonprofit providers must be involved in the rulemaking and implementation of increasing wages for the human services workforce to ensure there are no unnecessary administrative burdens.

Int 0511 would set time limits on the procurement process, aiming to improve the delay between service delivery and payment nonprofits experience. While the City cleared the backlog of more than \$4 billion in unpaid contracts and amendments, many nonprofits continue to suffer financially due to delayed contracting issues. Nonprofits are forced to take out loans or draw on a line of credit due to withheld or delayed payments--sometimes at a significant cost. Late registration forces nonprofits to begin service delivery without startup costs or payments covered. Once the contracts are registered, nonprofits often wait to be compensated for services they delivered months ago.

Contracting issues have been particularly prevalent for nonprofits who have Birth to Five contracts. Birth to Five contracts have been registered but many nonprofits are still waiting to be fully compensated for work they completed in fiscal year 2022. Providers can currently only bill for one month worth of expenses at a time. Start-up funds, which are designed to help prepare providers for incoming classes, are not reimbursed until all the funds have been spent. Monthly invoices are slow to be executed leaving providers waiting for payment and in the case of start-up money, spending funds they do not have. Start-up funds are also given late to providers with many being notified in the fall when they should be receiving notice in the summer to help prepare for the upcoming school year.

UJA thanks the City Council for recognizing that nonprofit providers continue to face late contracting issues and for suggesting methods that will make the Administration more accountable for these issues.

Int 0514 would aim to increase the transparency of the procurement process through developing a procurement database. Nonprofits already use PASSPort Public to share documentation with the City related to their City funded contracts. Nonprofits should not be responsible for inputting data into this new public procurement database. Contracting agencies should be required to upload and maintain the data. Providers already face many administrative burdens as they navigate multiple systems and spend staff time and financial resources to comply. Administrative burdens divert resources from programs and communities, so it is critical that this bill mandates government to be responsible for this procurement database without inconveniencing providers.

Conclusion

UJA-Federation of New York thanks the City Council for introducing these important pieces of legislation and we look forward to working with the City on ways to strengthen the human services sector. Thank you for your time and if you have any questions, please contact me at behumf@ujafedny.org.



**UNITED
NEIGHBORHOOD
HOUSES**

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**Testimony of United Neighborhood Houses
Before the New York City Council
Committees on Aging, Contracts, and Youth Services
Council Member Crystal Hudson, Aging Chair
Council Member Althea Stevens, Youth Services Chair
Council Member Julie Won, Contracts Chair**

**Oversight: Nonprofit Contracting and the
Joint Task Force to get Nonprofits Paid on Time
Introductions: 0510-2022; 0511-2022; 0514-2022; and 0866-2022**

**Submitted by J.T. Falcone, Deputy Director, Policy & Advocacy
January 30, 2023**

Thank you, Chairs Hudson, Stevens, and Won, for holding this important hearing on nonprofit contracting and introducing critical legislation to help resolve some of the many challenges faced by New York City's human services nonprofits. My name is J.T. Falcone, and I am a Deputy Director of Policy and Advocacy at United Neighborhood Houses (UNH). UNH is a policy and social change organization representing 46 neighborhood settlement houses, 40 in New York City, that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a broad range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide customized professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

Background

New York City relies on nonprofits to serve New Yorkers in need. From prenatal care for expecting parents, to early childhood education, to afterschool programs and in-school support,

to summer camp, to youth workforce development programs like the Summer Youth Employment Program (SYEP), to college preparedness and college retention, to adult literacy and adult education programming, to adult workforce development, to aging services like Older Adult Centers (OACs) and services that allow older adults to age in place like Naturally Occurring Retirement Communities (NORCs). Further, New York City relies on these same nonprofits to help New Yorkers meet their basic needs, including housing supports, mental health programming, benefit and entitlement navigation services, legal assistance, food access, home delivered meals, transportation—the list goes on and on.

In theory, this partnership is symbiotic: New York City gains the community ties and issue-area expertise of nonprofit organizations while the nonprofit organizations are able to further their mission, leveraging stable public dollars to expand their programming and meet the needs of more New Yorkers.

Unfortunately, in practice, the symbiotic relationship between New York City and human services contractors has broken down as government has failed to adjust the budgets for these essential services, allowed contracts to renew year-over-year without cost escalators or Cost of Living Adjustments (COLAs) for hardworking staff, and failed to pay providers in a timely fashion for their important work. As a result of the City's unreliable contracting behavior, nonprofits have been forced to pull attention away from their critical missions, instead devoting countless hours to navigating bureaucracy—re-submitting forms over and over through PASSPort, responding to Corrective Action Plans (CAPs) issued by their contracting agency, and working to find emergency funding to account for delinquent payments. Even worse: Nonprofit providers find themselves in a staffing crisis, meaning that all of this bureaucracy has an even heavier impact on their ability to deliver high-quality programming to as many New Yorkers as possible, especially with a bare bones staff comprised of overworked and underpaid staff who have been trapped in a vicious cycle of austerity.

In uncertain economic times, human services become all the more essential. New Yorkers rely on settlement houses and other community-based organizations to keep their households afloat, and we have seen demand for services spike over the last two years despite other indicators that our economy may be stabilizing. In its laws, in contract management and oversight, and in budget, New York City should strive to reinvigorate the symbiotic relationship it has shared with human service providers for the benefit of all New Yorkers.

Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time

The Adams Administration acknowledged the contracting challenges they inherited early on by convening a joint task force with Comptroller Lander as part of their transition work. The Joint Task Force to Get Nonprofits Paid on Time, a positive step to rectify inherent procurement system problems, issued a report, *A Better Contract for New York*, that included five key recommendations to modernize and streamline New York City's contracting process while

making it more equitable and transparent. To their credit, First Deputy Mayor Sheena Wright and Deputy Mayor Anne Williams-Isom have continued to focus on implementing these recommendations, and the Mayor's Office of Contract Services (MOCS) and the Mayor's Office of Management and Budget (OMB) have actively paid attention to these issues as well. In November, the aforementioned group held a webinar for human services contractors where they shared data showing significant progress has been made to address backlogged contract registrations and payments to providers.

Still, despite that progress, nonprofits continue to struggle to have their contracts registered in a timely fashion, leading to a wide array of consequences. Our settlement house members report that while payment timelines are much shorter today than they were last year, contract registration can drag on for months or, in some instances, over a year. Examples include:

- Extensive waiting periods to receive an executed contract causing a negative impact in their contract audit;
- City agencies often wait until contracts are processed to request additional documents—instead of at the start of the document gathering process. This makes it impossible to streamline registration processes;
- Contracts take months to appear in PASSPort, with agencies slowing down an otherwise efficient process by stalling before uploading required templates.

These examples highlight the many delays that City agencies often create that inadvertently cause delays in registering contracts and paying on time.

Further, while PASSPort is a promising tool, settlement houses have been frustrated by aspects of its implementation. Examples include:

- After converting to PASSPort, providers no longer receive email notifications when documents are about to expire;
- The in-draft/in-progress process is confusing and difficult to follow;
- PASSPort does not flag documents that are missing or incorrect for the user, wasting time as providers seek to make corrections before submitting for review or approval; and
- While PASSPort's tracker is helpful, the gray circles can have different meanings, reducing its usefulness in tracking progress on milestones.

Again, we are in a better position than we were a year ago, but problems persist. Settlement houses report that bridge loans have been extremely important tools to manage the status quo, but we must design systems where those stop-gap measures are not necessary.

Early Childhood Education

In addition to the challenges faced by nonprofit providers of aging and youth services, the field of Early Childhood Education has been plagued by extreme contracting concerns. UNH urges Contract Committee Chair Won to hold a similar hearing in collaboration with Education Chair Rita Joseph to focus on ways to improve contracting at the Department of Education (DOE) and resolve their chronic delinquency in paying contractors.

Providers face a crisis of delayed contract reimbursements. SeaChange Capital Partners recently conducted an analysis of how much the contracted early childhood system is owed and found that as of January 19, 2023, the City still owed providers \$399 million for FY 2022 contracts. One of our members operating several center-based EarlyLearn programs and a Pre-K program reported that the City still owed them nearly \$1.3 million for FY 2022 contracts, as of January 13.

In an effort to address these delays in FY 2022 payments to providers, the DOE announced a partnership with the Mayor's Office in November 2022 to deploy a "rapid response team" of cross-functional analysts and operational personnel that would provide 1:1 support to CBO early childhood education (ECE) providers with submitting their invoices for FY 2022, ensuring that they are up to date on FY 2023 invoices, and helping them get paid promptly. While providers have acknowledged contact from a member of the Rapid Response Team and some support with addressing issues with the electronic vendor portal system for invoice submission, they still continue to experience difficulties in receiving payment for FY 2022 and FY 2023 invoices. Furthermore, the DOE developed a stabilization fund to pay DOE-contracted community child care programs the equivalent of 75 percent of their FY 2022 contract value, regardless of their enrollment levels. However, the DOE noted that these are one-time payments to CBO providers for their FY 2022 contracts and are not guaranteed for FY 2023 and beyond. We urge the City to pay all providers their contract value for FY 2022 immediately and to pay FY 2023 invoices promptly.

To ensure FY 2023 and future contracts are paid on time, the City must also streamline their complex back-end system for invoice submission and approval. DOE recently adjusted its vendor portal system to allow providers the option of submitting multiple invoices at one time for FY 2022 contracts, but this option is only available for FY 2022 invoices, not for FY 2023 invoices and beyond. This is troubling given that multi-month submission can help address the backlog in payments; without this option, providers can only upload material one month at a time and must wait for each month to get approved before they can move on to input the subsequent month. Approval of monthly budgets by DOE has been slow, adding another undue burden on providers.

UNH Contracting Recommendations:

- Continue to improve PASSPort, including adding automatic notifications when documents are about to expire and making the interface more user-friendly by

highlighting documents that are missing or wrong to cut down on administrative burdens, including changing indicator colors on the tracker;

- Pass Intro. 0511, which would set time limits within which agencies would be required to complete each step of the procurement process and ensure that agencies have the resources they need to complete contract registration steps within the established timeframes; and
- Hold a similar joint hearing with the Contracts Committee and Education Committee to explore the particularly acute challenges faced by ECE providers;

Human Service Workforce - Wages and Benefits

Human service workers are grossly underpaid. A recent analysis by UNH found that human service workers face similar economic insecurity as the participants in their programs; in our report, *The Need to Strengthen the Economic Security of the Settlement House Workforce*, we note that government funding decisions and chronic underinvestment in human services have led to poverty-level wages for essential frontline workers at settlement houses.¹

Low wages, exacerbated by burnout from the COVID-19 pandemic, have led to chronically low staffing levels at human services organizations. Our settlement house members report more, longer vacancies, higher turnover, and significant challenges recruiting in a competitive labor market. Insufficient staffing has made it increasingly difficult for nonprofits to serve New Yorkers, leading to under-enrollment and program closures, which then leads to budget reductions and a vicious cycle that harms New Yorkers seeking services.

For years, the human services sector has warned of a staffing crisis citing low wage levels. Over the last two years, the City ignored a COLA request and instead issued a one-time bonus for our workforce that was equivalent to less than 1%, and a “contract enhancement” that led to contract-by-contract increases of between 1.5 and 2.5%. This investment is wholly insufficient to have a meaningful impact on the nonprofit workforce. Even with an annual 5% COLA, for most frontline workers starting at or around minimum wage, five years of raises would still mean an hourly wage of under \$20. Coupled with inflation and the City’s tendency to extend contracts without any cost escalators or budget modifications, this salary problem will only be solved by a significant investment in the workforce.

For these reasons, **United Neighborhood Houses supports Intro. 0510**, which would establish prevailing wage schedules for human service workers, require agencies to include sufficient funding to cover those wages in contracts, and track implementation of those wages by human service contractors. While prevailing wage schedules are an imperfect tool to address the current conditions faced by human service workers, it is a significant improvement from the status quo. This process to design a true prevailing wage system is arduous and will require

¹https://uploads.prod01.oregon.platform-os.com/instances/542/assets/9_1%20-%202022%20Wage%20Equity%20Report%20-%20AS.pdf?updated=1663187768

Careful analysis, but we cannot afford to continue ignoring the need. For years, the government at every level has asked nonprofit partners to do "more with less." This dynamic has pushed our sector to a real breaking point, and our workforce has suffered the consequences.

In order to effectively implement Intro. 0510, this legislation would need to pass through the City's budget process. City agencies would be required to evaluate the true cost of contracted services and increase funding to maintain service levels. Nonprofits have been subsidizing government services for many years, with contracts paying pennies on the dollar for the cost of programming. With finite resources available, this subsidization has led to wage stagnation as programs have become more expensive to run and budgets have remained level through contract renewals. Correcting wages for workers on government contracts will require upfront investment in the human services sector, without which service levels would necessarily be reduced as nonprofits raise wages in accordance with the set prevailing wage. Of course this will lead to discussions about investment in City services and how city leaders create priorities, and we look forward to participating in these conversations.

Meanwhile, we applaud the effort of those City leaders beginning this process of determining prevailing wages for human services as they realize that the cost of doing nothing has become more grave.

UNH recommends that the City Council and Administration pass Intro. 0510 and commit to funding the measure, increasing contract budgets to allow nonprofits to pay their workers prevailing wage without cutting services to our communities. In addition, we urge:

- City agencies to work with providers to review program budgets to better understand how to account for wage increases, and determine the true cost of implementing Intro. 0510 while maintaining service levels; and
- the City Council and Administration to work with partners in Albany to ensure that State contracts for programs in New York City abide by the prevailing wage schedule and undergo a similar budget modification process as City agencies outlined above.

UNH Comments on Additional Introductions

In addition to Intro. 0510, there are several other legislative Introductions today. UNH's position and comments on these bills are as follows:

Intro. 0511, Stevens: Setting time limits for the procurement process, reporting on agency compliance, and developing an online platform for managing procurement

United Neighborhood Houses supports Intro. 0511, which would set time limits within which agencies would be required to complete each step of the procurement process. Under the current system, nonprofits have found agencies often hold up the contract registration process, many times without clear explanation, leading to challenges with cash flow and program

implementation. Clear timetables would help nonprofits plan and budget accordingly, improving the overall contracting experience.

Intro. 0514, Won: Public procurement database

United Neighborhood Houses supports transparency initiatives, and therefore supports Intro. 0514, which would establish a searchable, online database containing information from all stages of the contracting process for every mayoral agency procurement that exceeds the small purchase limits. Should the public procurement database become law, UNH urges City agencies to leverage existing proposals and reporting from contractors to update and maintain the database, given that providers already report on the data called out in the bill. City agencies should not pass the reporting burden on to contractors by requiring additional paperwork above and beyond what is already required of them as current reporting is more than sufficient to comply with the law.

Intro. 0866, Stevens: Report on community engagement by City contractors

United Neighborhood Houses supports the aims of Intro. 0866, which would require that City contractors who include plans to “collaborate with community members or organizations” in their winning proposal report regularly on their progress with said collaboration. Too often, contractors over-promise and under-deliver when it comes to community engagement, and—especially in instances where promises of community engagement have helped that contractor win a particular contract—accountability is important. **UNH has recommendations to strengthen the language of Intro. 866:**

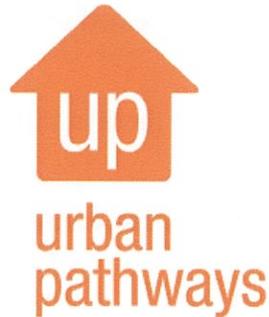
- As written, Int. 866 does not include any definition of or minimum threshold for “collaboration,” which could lead to inconsistent self-reporting from covered contractors; **UNH recommends including a definition of “collaboration” that includes practices such as roundtables, visioning sessions, stakeholder meetings, forums, or ongoing community councils.**
- As written, Int. 866 requires covered contractors to self-report on their collaborative efforts. **UNH recommends that community members/organizations be given an opportunity to comment on the quality of said “collaboration” as an aspect of reporting—particularly where specific community groups or organizations were named by a covered contractor in a winning proposal. The burden for collecting this feedback should fall on awarding City Agencies during the reporting process.**

Conclusion

UNH looks forward to working with partners on the City Council and in the Administration who are committed to improving nonprofit contracting. This hearing today and the Joint Task Force are evidence that our increasingly desperate calls for help are being heard. UNH is optimistic that, should the Council pass this legislation—especially Intros 0510 and 0511—and the Administration implement them as laws, we will make even more significant progress over the coming year.

UNH looks forward to returning to testify on the FY 2024 Preliminary and Executive Budget proposals, where we will urge the Council and Administration to use this budget process as an opportunity to invest in the priorities all of you have lifted up and, most of all, to invest in the human services workforce that helps New Yorkers survive and thrive.

Thank you for your time and the opportunity to testify today. For more information, or to answer any additional questions, I am available at jfalcone@unhny.org.



Testimony
New York City Council
Committees on Aging, Contracts, and Youth Services
Oversight Hearing on Nonprofit Contracting and the Joint Task Force to Get
Nonprofits Paid on Time
Monday, January 30, 2023

Good afternoon, Chairs Hudson, Won, and Stevens, and members of the Committees. My name is Nicole McVinua, and I am the Director of Policy at Urban Pathways. Thank you for the opportunity to testify at today's oversight hearing on nonprofit contracting and the Joint Task Force to Get Nonprofits Paid on Time. We will also be providing comments on Introductions 510, 511, and 514.

Urban Pathways is a nonprofit homeless services and supportive housing provider. We serve approximately 3,900 single adults annually through a full continuum of services that includes street outreach, drop-in services, Safe Havens, extended-stay residences, and Permanent Supportive Housing. We also offer a wide range of additional programming to meet the needs of our clients, including our Total Wellness, Employment, and Consumer Advocacy Programs. We hold city contracts with DHS, DOHMH, and HRA for our drop-in center, four Safe Havens, and congregate and scattered site supportive housing.

We appreciate the work of the Joint Task Force to Get Nonprofits Paid on Time in clearing the over \$4 billion backlog in unpaid human services contracts. We are now receiving the back pay owed on the nonprofit indirect cost rate initiative.

Unfortunately, we are still seeing some issues with payments. An ongoing problem with an HRA supportive housing contract is the inability to move funds from other accounts with accruals if less money is collected from residents for rent than anticipated. It is causing the organization to lose money on the contract even if it has not been fully expended.

Another ongoing concern with contract registration is the ability to utilize discretionary funding in their contracted time period. Due to their connection with the budget cycle, it is impossible to access discretionary contract funds at the start of the provided fiscal year time period. The

system of discretionary contracts should be addressed to make it easier for providers to utilize these funds.

We know a lot of work has been done and that there is still more to go to ensure full and prompt payment on human services contracts.

Int. 510-2022 Urban Pathways supports Int. 510 to establish prevailing wage requirements for city-contracted human service workers.

The underpayment of our workforce on government contracts is the biggest challenge facing our organization. Low wages cause a ripple effect throughout the organization that impacts both staff and clients. Low wages make it difficult to hire and maintain qualified staff. While there are staff vacancies, the dedicated staff we do have are taking on greater workloads that lead to burnout and ultimately add to turnover, and the constant recruitment and hiring necessary to fill positions overwhelm HR and administrative staff. High staff turnover also impacts those we serve. Our clients work closely with staff to meet their goals, including maintaining their mental health, managing their chronic illnesses, getting back into the workforce, and obtaining permanent housing, among so many others. The quality of this work is heavily reliant on relationships, which are difficult to build when you have four case managers in three years. Last fall we saw our staff vacancy rate climb to 32 percent. From exit interviews of those leaving and reasons provided by candidates who do not accept positions, we know that wages is a top factor as to why employees choose not to stay with or join the organization.

These low wages are driven by government. Government is the predominant funder of human services, and thereby also the main driver of human services salaries. Government either directly sets salary rates on contracts or does so indirectly by establishing costs for a unit of service along with required staffing on a contract. It is disheartening that the workforce that the City relies on to provide critical services to New Yorkers each and every day, who were deemed essential throughout the pandemic, are paid at poverty wages that require many to seek public benefits themselves. Human service workers make between 20-35 percent less in median annual wages and benefits than workers in comparable positions in the public and private sector and have the fifth-lowest average pay among large employing industries in the city.¹ It is untenable that DHS contracts provide just minimum for cooks and maintenance workers serving our neighbors experiencing homelessness. Our workforce should not qualify for food stamps or have to work three jobs to make ends meet. This issue also constitutes a matter of broader equity: the human services contract workforce employs over 80,000 workers in New York City and 75% of workers identify as people of color and 70% as women.¹

There must be a conscious effort placed on increasing the wages of our frontline workers paid on city-funded human services contracts, and the creation of a prevailing wage is one means to do so. However, it is absolutely imperative that Int. 510 mandates that contracting agencies pay a

¹ Center for New York City Affairs, March 2022, [The Case for Ending Poverty Wages for New York City's Human Services Workers](#)

prevailing wage on all new and existing contracts with additional funding. Paying a prevailing wage must not fall on the nonprofit provider as another unfunded mandate. Additional funding must be added to the contract to fund the prevailing wage and to ensure that funds are not pulled from other parts of human services contracts, which could negatively impact services or other programmatic needs.

It will also be critical that there is collaboration between the Comptroller, City Council, and human services providers in the rulemaking process. We want to ensure that the prevailing wage schedule is created to be comparable with government and private sector wages for similar work, rather than codifying the low wages that are currently seen with consistency across the human services sector. Comprehensive evaluations will need to be conducted to determine appropriate wage schedules. It will also be critical that administrative burdens for evaluations are taken on by the City and not passed on to already overburdened nonprofit providers.

Int. 511-2022 Urban Pathways supports Int. 511 to set time limits for the procurement process, reporting on agency compliance and developing an online platform for managing procurement.

We appreciate the attention being paid to the challenges faced by human services providers when contract registrations and payments are delayed. While the City cleared the backlog of more than \$4 billion in unpaid contracts and amendments, setting procurement timeframes can help further improve and prevent the procurement delays facing the sector.

Our organization has previously found itself in the position of providing services on an unregistered contract, which means we were providing services without City backing. It is extremely risky for organizations to begin work without a registered contract. It is also unfair and unreasonable to expect nonprofit providers to front funds to provide services on behalf of the City, which can place organizations in financially precarious situations. An example of this is when we provided services for an unregistered HRA contract for upwards of 18 months. There are few options for the provider in this situation; had we refused to provide the services on this unregistered contract, it would have meant relocating clients residing in permanent supportive housing. Instead of this unviable choice, we found ourselves fronting significant sums and working at risk. We support the implementation of timelines and increased transparency for the procurement process to avoid these unnecessary scenarios in the future.

Int. 514-2022 While we support the creation of a public procurement database to increase the transparency and accountability of the procurement process proposed in Int. 514, we want to emphasize that contracting City agencies must be made responsible for inputting data into this new database, not providers.

Our staff already spend copious amounts of time putting information into a variety of databases and navigating multiple systems to ensure we maintain compliance, so it is important that the creation of a new database does not create additional administrative burdens for nonprofit human services providers, like Urban Pathways. PASSPort and PASSPort Public are already utilized by

the City, allowing them access to the necessary information. Administrative burdens divert resources from programs and communities, so it is critical that this legislation mandates government to be responsible for this procurement database without inconveniencing providers.

We understand that the City Council supports the work that human services providers do by proposing these bills to ensure accountability and transparency.

Thank you to the City Council Committees on Aging, Contracts, and Youth Services for your interest in improving the wages and procurement processes for human services providers, and for holding today's hearing. I look forward to working with you to strengthen the human services workforce and get organizations paid on time. Thank you for the opportunity to testify today.

For questions or more information, please contact:

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**New York City Council
Committee on Contracts, Honorable Julie Won, Chair
Committee on Aging, Honorable Crystal Hudson, Chair
Committee on Youth Service, Honorable Althea Stevens, Chair**

**Testimony of YMCA of Greater New York
Presented by Michael Rivadeneyra, Vice President of Government Relations**

**Oversight Hearing – Nonprofit Contracting and the Joint Task Force to Get Nonprofits Paid on Time; and Introduction 510, 511, 514, and 866
January 30, 2023**

I respectfully submit the following testimony on behalf of the YMCA of Greater New York.

The YMCA of Greater New York is committed to empowering youth, improving health, and strengthening community. With 24 YMCA branches and more than 100 community sites across New York City, the Y is among the city's largest providers of human services spanning from infancy to older adulthood — and an important anchor, convener, and catalyst for transformational change in underserved communities. The YMCA currently holds 142 contracts with various City agencies – ACS, DFTA, DOE, DOHMH and DYCD -- through which we employ over 2,000 city-contracted workers at any given time. As a major human services provider, we can attest that doing business with the City comes with its challenges. We are encouraged by the establishment of the Mayor's Office of Nonprofit Services and look forward to working with Executive Director Karen Ford. As a member, we are also encouraged by the work of the Task Force to Get Nonprofits Paid on Time. These are steps in the right direction.

The leadership and support for the human services sector from this Council, bill sponsors, and committee Chairs is appreciated. Introduction 510 highlights the City's abdication of duty to providing at minimum a living wage to the workforce delivering these critical human services on behalf of the City. Introductions 511 and 514 call attention to the challenges of doing business with the City as it relates to the uncertainty of the bidding and procurement schedules. Though these proposed pieces of legislation are laudable, the Y remains concerned that the intent of the bills will not be adequately realized. Introduction 866 calls on contracted providers to periodically report on community engagement efforts, and though well intentioned, will amount to duplicative reporting, imposing an administrative burden on providers.

YMCA OF GREATER NEW YORK 5 West 63rd Street New York, NY 10023
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YMCA OF GREATER NEW YORK | Where there's a Y, there's a way.

As a leading human services provider, the YMCA has long called on the City to adequately fund human services contracts for the critical services that impact marginalized communities and populations. We did not need a pandemic to recognize and appreciate that our workforce, especially our city-contracted associates, are essential workers because of the vital and impactful work they did and continue to do in our communities. Prior to the pandemic, the Y found a way to support our city-contracted associates by subsidizing cost of living adjustments (COLA) and other indirect cost rate (ICR) escalators, such as fringe. Unfortunately, this is not sustainable due to the losses incurred by the pandemic and rising inflation. The human services sector's city-contracted workforce is long overdue for a raise. Intro 510 has a lofty goal of setting a much-needed higher wage standard for our city-contracted workforce. City contracts must have the funding and means to keep pace with rising inflation and health insurance costs. The success and sustainability of Intro 510 will depend on the Administration making the necessary funding commitment in this upcoming fiscal year and multiple fiscal out years that account for the following expenses: prevailing wages indexed to inflation, COLA and ICR. Anything short of this creates an unfunded mandate and absolves the City of its obligation to the human services sector's city-contracted providers and financially burdens community-based organizations who are already under tremendous financial stress. We recognize that the bill has language that attempts to compel this commitment, however we fear that the bill may face a legal challenge as it may encroach on powers and authority bestowed on the Mayor. Rather than passing a bill that will create an unfunded mandate, we urge the Council and Administration to negotiate funding for increased wages, COLA, and ICR during budget negotiations and set terms and conditions in the adopted budget that encapsulate the agreement. Furthermore, we support the Human Services Council's #JustPay campaign calling on the City to set the minimum hourly wage for city-contracted workers at \$25.

We appreciate the City working on the recommendations from the Task Force to Get Nonprofits Paid on Time to clear through a backlog of unpaid contracts and register contract amendments. However, it is imperative for the City to ameliorate procurement delays moving forward, thus we support Intro 511's goal to set timelines in the procurement process to reduce contracting delays and Intro 514's goal to create more transparency of the procurement process with a public database. Doing business with the City comes with risks that providers assume, such as late payments for services rendered, and outdated contracts. The YMCA, like many other youth development providers, experienced long payment delays for Summer Rising services due to the contract amendment process. Many of our existing COMPASS/SONYC afterschool and summer camp contracts, which the City has leveraged to execute Summer Rising, were registered over a decade ago. These contracts are out of step with the existing needs of our youth and families, and funding needed to successfully deliver services. If the City were compelled to comply with a codified timeline for when RFP's would be released, registration of contracts and amended contracts, and contract payments, organizations such as the Y would be in a better position to plan and budget for services. Furthermore, having these timelines published on a public database will hold the City accountable to the community and the nonprofit sector. Though we do caution that the data collecting for this database should not create an administrative burden on the provider, but rather mandate contracting agencies to support the database. Administrative

burdens divert resources from programs and communities, so it is critical that this bill mandates government to be responsible for this procurement database without inconveniencing providers.

As for Intro 866, requiring providers to report quarterly on the level of community engagement with community members or organizations may be a redundant requirement for human services providers. Several of our contracting agencies, DOE and DYCD, require community partnership agreements and periodic programing with said partners or other community organizations. This bill would require providers to submit duplicative reports for the same intended purpose of promoting community engagement. As mentioned above, administrative burdens divert resources from programs and communities.

We appreciate your leadership and partnership in supporting the nonprofit community dedicated to providing critical human services. Thank you so much for fighting for our organizations, our workforce, and the individuals and families we serve across New York City. We look forward to working with you on getting city-contracted workers paid fairly and ensuring that programs and services are fully compensated in a timely manner.

If you have any questions, please contact Michael Rivadeneyra, Vice President of Government Relations, at mrivadeneyra@ymcanyc.org or 212-630-9717.

Late Payments to City Vendors
Testimony by Paula Magnus
Deputy Director and CFO
Northside Center for Child Development, Inc.
January 30, 2023

Committee on Youth Services - Althea Stevens, Chairperson
jointly with the **Committee on Aging** - Crystal Hudson, Chairperson
jointly with the **Committee on Contracts** - Julie Won, Chairperson

Good Afternoon. I'm Paula Magnus, the Deputy Director and CFO of Northside Center for Child Development, a family mental health clinic and educational center serving at risk children in Harlem and throughout the City. Thank you, Chairpersons Stevens, Hudson and Won for hosting this hearing and allowing me to testify about late payments to vendors, about how the City might speed up getting vendors paid, our support of the prevailing wage law and one great thing City Agencies are starting to do.

I agree with the prior discussion this afternoon with the City Counsel, MOCS and the Office of Budget around the City must have timelines for registering and processing contracts through the system. Questions such as how much in back payment is still owed to Agencies, impacting how many agencies and where is that money sitting?

Northside and Other Agencies Are Floating Cash for the City Government

Since FY 2017 to current, Northside continues to flow over \$1.6 million dollars for the City. Northside has paid for program expenses that we currently have not been reimbursed for yet by the City. As we know the City wants not-for-profit social service organization to serve the community and survive. I hope hearing this big number, just from one organization, helps motivate the City to clean up this backlog.

Slow Contracting

To speed up the date when City Agencies have corporate documents that are not specific to one contract, even before July 1st, the City should allow vendors who may get City Contracts the option to submit a dozen annual recurring requested corporate documents (listed in my written testimony) to the Passport's "Vendor Profile." That would centralize and speed up when City Contract Managers can review this recurring set of a dozen documents. Northside has nine City contracts and at present, we can't even begin uploading these dozen annual recurring documents nine different times in Passport's "Manage My Contract tab" until nine different City Contract managers do months of work. So again, we should have the option to upload them just once, as early as June each year in Passport's "Vendor Profile Tab."

The other thing Passport should centralize is Liability Insurance Certificates. Vendors with multiple City Contracts should be allowed to upload -- to their Passport Vendor Profile one, let's call it an "Omnibus General Liability Insurance Certificate" that would specifically state in the "Description of Operations" each City Agency they contract with, the name and location of the programs and any other details each City Agency requests. This would move up contract issuance dates dramatically.

FINANCIAL BUDGET MODIFICATIONS

Time taken to justify budget modifications should be reviewed as it slows the process. If an Agency is not asking to add more funds to the contract and able to accomplish the goals of the agreement, why the 'back and forth' consuming precious time of the government 's staff and the organization internal staff's time? We need to get the feeling of partnership of working together for the City....not warring over justifiable budget modifications. It is always interesting how

Agencies are locked into dates for not having budget modified in a timely manner, yet it takes 3 to 9 months to register contracts. Again, if there is no money added to the contracts and the agreements in the contract are met, why penalize agencies for not allowing budget modifications for proven expense for the programs? Given more time like the time taken to register contracts show be allowed.

Prevailing Wage

For social service organizations to attract and retain staff, we really do need you to pass Intro. 510 into law, but since some city Social Service contracts already pay less than 100 cents on the dollar, it's equally important that the city fund this requirement to cover the cost differential.

POITIVE DIRECTION KEEP IT UP!

I commend the City for its paper reduction efforts in the contracting process. The city's documents the City's Vendors can DocuSign or e-sign and submit, the better.

And, again, I thank all the members of these three committees for focusing on how large the City's open balances are and on speeding up payments to contractors...

CONCLUDE

- 1. AGAIN, OVER \$1.6 MILLION CASHFLOW NORTHSIDE IS CARRYING FOR THE CITY...*NOT COOL*...**
- 2. ALLOW CONTRACTORS TO UPLOAD THE ANNUAL DOCUMENTS ONCE EARLIER IN THE YEAR**
- 3. REVIEW AND ALLOW FLEXIBITY ON BUDGET MODIFICATIONS**
- 4. PASS THE LAW FOR PREVIALING WAGES AND ADD THOSE FUNDS TO THE CONTRACTS TO COVER THE ADDED EXPENSE**

5. KEEP GONG IN THE DIRECTION OF ELECTRONIC SIGNATURES...**THAT IS COOL!**

Thank you, Councilmembers.

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One Page Written Supplement to the Live Testimony

Please see the next page regarding a dozen documents each City Agency asks Vendor to upload to Passport’s “Manage My Contracts tab”. Since these are corporate documents not specific to any one City Contract, instead of each City Agency asking for these documents over and over, often months apart, Vendors should be able to submit the twelve documents on this list just once to their “Vendor Profile” and they should be allowed to do that as early as each June.

Corporate Documents Vendors Should Upload Only to Passport’s “Vendor Profile”

1. The Doing Business Data Form
2. The Conflict of Interest and Disclosure Compliance Certification
3. General Liability Insurance Certificates
(The testimony above explains how General Liability Insurance Certificates can be “omnibus” and itemize all City Contracts and programs a vendor has with City Agencies.)
4. Insureds for the upcoming Fiscal Year
5. Disability Certificates for the Upcoming Fiscal Year
6. Board of Directors List
7. Insurance Broker’s Certificates
8. Certification of Abuse and Neglect
9. CHAR 500, 990 & Audit

10. Tax Affirmation Form
11. Lobbying Certification Form
12. LL34 Documentation/Uploads

TESTIMONY OF CYNTHIA SILVA IN SUPPORT OF INTRO. 510
JANUARY 30, 2023

Good afternoon. My name is Cynthia Silva. I have worked at the Callen Lorde Community Health Center since 2020 as a Licensed Clinical Social Worker. Callen Lorde provides comprehensive health care to the LGBTQ community, regardless of their ability to pay.

Established in 1983 at the height of the AIDS epidemic, services have expanded to include a full range of culturally sensitive services to adults of all ages, teenagers, and young adults, geared toward prevention, wellness, and gender affirming care.

Our staff is committed to serving our clients. Oftentimes, co-workers find themselves having to choose between serving the LGBTQ community at our organization or seeking employment at institutions that offer higher wages. Intro. 510 will assure that the community-based clinics can recruit and retain long-term staff. I urge you to support and enact Intro 510.

We, like many other health clinics, are short-staffed. Callen Lorde has the added challenge of serving clients that are often stigmatized and are more comfortable getting care in a judgment free setting. For many of us, working there is a commitment to serve the LGBTQ community. Intro 510 will make it easier for programs such as ours to recruit and retain staff by making salaries much more competitive. As an LCSW, I rely on a team approach to care for each client and meet their individual needs. Having a fully staffed team improves client experience and outcomes. Therefore, staffing shortages are of great concern to us all.

Callen Lorde has facilities in Manhattan, Brooklyn, and the Bronx. We stress wellness, gender affirming care, and focus on each client's needs with Care Coordinators that deliver a more holistic approach to care and counseling. The care for our transgendered clients is unique. In addition to primary care, we offer mental health services, case management, gender affirming care, HIV care and prevention. We also have a dental clinic and a pharmacy.

Our clinics are a success because of the care and commitment guaranteed to every client that enters our facilities. It is imperative that we continue to provide such individualized care to them, and with fair wages, we can guarantee continued care for the long term.

Thank you for this opportunity to testify before you today.

Testimony regarding Oversight - DOE's New Admissions Processes (T2023-2814)

New York City Council Education Committee

1.25.2023

My name is Gina Zuckeri, I'm a Brooklyn resident, a parent of one high school student with a pending IEP and one Gen Ed middle school student an inclusion school. I am repeating what Queens parent Jennifer Choi testified at an earlier hearing. I want to amplify her testimony. As a parent beginning this journey somewhat "late"--with a sophomore in high school, I agree with everything Jenn said. Our experience at our daughter's public high school has been atrocious in this regard:

For Students with Disabilities when it comes to High School Admissions, the DOE states:

"Every DOE middle school and high school welcomes and serves students with disabilities according to their IEPs."

But what they don't state is that schools will not supervise the school open houses and tours in which parents are directly or indirectly told that the school will only provide some but not all of these services.

Some of the things parents and students hear are:

1. Related services such as PT and OT will have to be provided outside of school. This puts the onus on the parent to ensure services.
2. We do not offer integrated co-teaching (meaning a special education teacher and a general education teacher) services for World Language classes even though you need that to graduate with a Regents diploma. Basically this means no special education instruction for students with IEPs to learn world languages.
3. There are no ICT services for AP Classes even though these classes are also used toward completing their high school diploma.
4. They are told that there are no self-contained or special classes which really hurts a child especially if that school is specialized with certain career technical programs.

5. Likewise, these schools will tell parents that ICT services are not offered in career technical or CTE classes.
6. And some of the specialized high schools take weeks to respond to parents' questions about special education and the parents take this delay as its own hidden message. "Don't come here."
7. Some will even tell parents that they will amend the IEP to remove ICT so that the student can take an AP course. That is against federal education [policy](#).
8. Also against federal education policy is the practice of Gifted and Talented Schools ask students to remove ICT off their IEP before entry.
9. Some parents hear that the school's trajectory is to declassify the student or reduce services because there is no special education in college. This tells parents of students who will likely need services in 12th grade that this student should not go there.

What ends up happening after parents hear these messages is what I call: Self-Serve Discrimination because the messages make parents choose other schools so that these non-inclusive schools will never be forced to provide for students with disabilities. Even if the parents are willing to fight for their child's IEP that first year, the student is at risk if it is obvious that the school is leaning toward not providing the needed services.

I am asking the Education Committee to please investigate these matters. Please ask high school superintendents and the Enrollment office if they have been told about this activity and what they've done about it. Please also read the Chalkbeat article entitled, "[Many High Schools are Off Limits to Students with Disabilities](#)" which speaks to how students with disabilities face discrimination in the admissions process.

More importantly, please examine the schools who are doing it right. [Townsend Harris High School](#), a model for top-level education in this country is also a model of special education instructional support services. They are proving to this city that parents do not have to choose between their child's education and their child's disability supports. The Queens North High School Superintendent's office also provides exemplary support to parents. Both institutions look at special education more as a point of excellence rather than a miserable point of compliance. That is what makes students feel safe and included.

The 20% Rule- Only in New York City:

Did you know that simply having an IEP or 504 plan does not qualify a disabled child to be in the students with disabilities (SWD) category for admissions? Another area that requires inspection is what parents call the 20% Rule in which a student needs a specific amount of

special education instructional services to qualify as a student with a disability (SWD) in the admissions process. Ignoring the 13 disability classifications put forth by the IDEA, the DOE arbitrarily determines who qualifies for a Student with Disability seat grouping by determining the amount of special education instruction provided. This rule has a huge impact as it allows only some but not all students with disabilities to be placed in a different pool of applicants that often has less applicants per seat, especially for a very competitive screened school.

This rule makes it so that only students who have a high number of instructional services from a special education teacher can be considered for this applicant pool. That means a student who has a full-time paraprofessional, speech therapy, counseling, occupational therapy, physical therapy, and even five periods of special educational teacher support services will not qualify to be in the SWD applicant pool. This is not only unfair, this is not legal, especially for students with physical disabilities.

I am available to work with you to help you uncover how parents and students with disabilities face discrimination every application season. Thank you.

Yours truly,

Gina Zucker, Pratt Institute writing and literature professor and parent of 2 NYC public school students.

**TESTIMONY OF MARIA ORTIZ IN SUPPORT OF INTRO. 510.
JANUARY 30, 2023**

Good afternoon. My name is Maria Ortiz and I'm speaking in support of Intro. 510. For over 20 years, I have worked in Human Services for several not-for-profit organizations and for the City of New York. Professionally, I hold two Masters degrees: one in Forensic Psychology and another in Social Work. I also volunteer my time for different things and currently serve as Co-Chair of the Housing, Health and Human Services Committee on Manhattan's Community Board 4 for nearly 10 years.

Currently, I am employed as a Certified Social Worker aka a Psychotherapist in training at a Health Center located in the neighborhood where I also reside. I work for an organization that serves many members of the community, including outer boroughs, providing comprehensive primary care health services including a facility dedicated to women and children.

My goal is to obtain a Clinical Social Work license, which I hope to achieve within the next 2 years. Ideally, when I obtain my clinical licensure, I would prefer to remain serving my community. However, wages and benefits differ greatly between community-based clinics and larger institutions and private practice. As a single mother with a son who will soon graduate High School, in addition to everyday living expenses, such as rent, food, utilities, and helping other family members, I have enormous student loans to repay. My son and I live in a one-bedroom apartment which is inadequate, but I cannot afford a larger space while I'm also paying these loans.

Intro 510 will establish prevailing wages to better level the playing field with the larger institutions. Many people use community health clinics as steppingstones to gain the necessary experience and move to jobs with higher salaries. It does not have to be this way. I can easily earn over \$10,000 more elsewhere, but serving my community is my objective and I plan to do that for as long as I can, which will depend on increasing expenses. The clinics have a difficult time recruiting and retaining long-term workers. Establishing prevailing wages for them will go a long way toward ensuring long term worker retention.

Thank you for this opportunity to address this very important issue.

**TESTIMONY OF WILLIAM PEREZ IN SUPPORT OF INTRO. 510
JANUARY 30, 2023**

Good afternoon. My name is William Pérez. I have worked at Callen Lorde Community Health Center for just over a year, but for the past 17 years I have worked for several human services organizations in different capacities, including substance abuse counselor, therapist, and psychotherapist. As a result, I can attest to the great funding disparity affecting wages and benefits at those organizations. Intro. 510 has the potential to correct such disparities. It establishes prevailing wages that will benefit workers and clients alike.

For 17 years, I literally bounced from one agency to another and back, just seeking higher pay. With two kids to support and tens of thousands of dollars in student loans, I could only afford a tiny studio apartment. Three daily meals were unaffordable and at times, I went without food for myself so I could feed my kids. Owning a car or a home are pipe dreams. Needless to say, I had to overcome many hardships for myself and my family. That was until I joined Callen Lorde, a community-based clinic offering primary care, mental health services, and overall wraparound services to the LGBTQ community in a safe and culturally competent environment.

Our clients are diverse in race and ethnicity, ranging in age from about 13 years of age to 90, and come from all walks of life. We focus on wellness and health, and offer a holistic approach to meet the individual needs of our clients. Callen Lorde offers better pay than organizations where I previously worked, allowing me to move into a two-bedroom apartment where my kids share a separate bedroom and I do not have to struggle as hard to make ends meet.

Getting to where I am today has been a struggle, and it is for that reason that I come before you today to urge you to pass prevailing wage legislation. Callen Lorde offers fairer salaries than most human service organizations for which I have worked in the past. But those organizations are likely still underfunded and trying to address staff recruitment and retention issues.

Social workers rely on a team approach to address the care needs of each individual client. Everyone at the facility – from the security guards to the doctors – must work together to ensure the best experience and outcomes for every client. Therefore, adequate staffing is essential. Most health care facilities today, be they hospitals, nursing homes, clinics or the home care industry, are severely understaffed and I believe that community-based clinics are more cost effective and culturally sensitive, engendering greater client trust. Intro 510 will ensure that these community-based human service agencies are able to connect with and serve the needs of their communities. I urge you to enact Intro 510.

Thank you for this opportunity to testify before you.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Gregory Brender

Address: _____

I represent: Day Care Council of New York

Address: 1430 Broadway #404 New York, NY 10018

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lisa Schreiber

Address: Brooklyn NY 1124

I represent: Brooklyn Def. Serv

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: LIZ ROBERTS CEO

Address: 2 Lafayette St. 3rd floor, NY, NY

I represent: Safe Horizon

Address: Same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: New York City Comptroller Bruce Landau

Address: 1 Centre St

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Charlette Hamangiala

Address: One Centre St

I represent: Comptroller's Office

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Catherine Dapany

Address: _____

I represent: Homeless Services Unit

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510 Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Elizabeth Rubin

Address: _____

I represent: Educational Alliance

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Lisa Schreibersdorf

Address: 177 Livingston St, 7th Fl. Bk, NY 11201

I represent: Brooklyn Defender Services

Address: 177 Livingston St, 7th Fl. Bk, NY 11201

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Brianna Paden-Williams

Address: 49 W 45th Street, NY, NY

I represent: LiveOn NY

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition
Date: _____

(PLEASE PRINT)
Name: Amice Abusca
Address: 425 Westchester Ave, Bx NY 10456
I represent: JCCA
Address: Same as above.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510, 511, 514 Res. No. _____
 in favor in opposition
Date: 1/30/2023

(PLEASE PRINT)
Name: Lisa M. Flores
Address: Director
I represent: MOCs
Address: 255 Greenwich St, 9th Fl, NY, NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition
Date: 1/30/23

(PLEASE PRINT)
Name: JOHN T. FALCONE
Address: 95 Broadway, New York NY
I represent: UNITED NEIGHBORHOOD HOUSES
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510, 511, 514 Res. No. 806

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: KAREN FORD, Executive Director

Address: _____

I represent: MAYOR'S OFFICE FOR NONPROFIT SERVICES

Address: 253 BROADWAY, NY, NY, 10007

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510, 511, 514 Res. No. 806

in favor in opposition

Date: 1/30/2023

(PLEASE PRINT)

Name: Anne Meredith, General Counsel

Address: _____

I represent: Mayor's Office of Contract Services (MOCS)

Address: 255 Greenwich St, 9th Fl NY, NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510, 511, 514 Res. No. 806

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Michael Ogibene, COO

Address: _____

I represent: Department for the Aging

Address: 2 LaFayette

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. ^{510, 511, 514} 866 Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Rose Mercado, CEO

Address: _____

I represent: Department for the Aging

Address: 2 Lafayette

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. ^{510, 511, 514} 866 Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Dana Cankin

Address: _____

I represent: DYCD Agency Chief Contracting Officer

Address: 2 Lafayette Street

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. ^{510, 511, 514} 866 Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Nevita Bailey

Address: _____

I represent: DYCD Deputy Chief Financial Officer

Address: 123 William Street

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510, 511, 514 Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Nicole McVinua

Address: 575 8th Ave, 16th Fl., New York, NY 10018

I represent: Urban Pathways

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/30/23

(PLEASE PRINT)

Name: Paula Magnus

Address: _____ NY

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510/511/514 Res. No. _____

in favor in opposition

Date: 1/30/2023

(PLEASE PRINT)

Name: PATRICIA MARTONE, EVP

Address: _____

I represent: 1199SEIU UHWE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 511 Res. No. _____

in favor in opposition

Date: 1130

(PLEASE PRINT)

Name: Joseph Rosenberg

Address: 191 Jordan St Brooklyn

I represent: Catholic Community Relations Council

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Marlon Williams

Address: _____

I represent: Philanthropy NY

Address: 320 East 43rd Street NY NY

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 510 Res. No. _____

in favor in opposition

Date: _____

Name: Na'illah Amaru (PLEASE PRINT)

Address: 10027

I represent: Human Services Council

Address: 130 E 59th St New York

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Justine Alderman (PLEASE PRINT)

Address: 360 E. 161 Bronx NY

I represent: Bronx Defenders

Address: SAME

Please complete this card and return to the Sergeant-at-Arms