



**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/>



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



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.



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.