

## **Statement on the Release of the New York City Fiscal Year 2019 Executive Budget**

### ***Human Services Advancement Strategy Group***

We created the Human Services Advancement Strategy Group (HSASG) consisting of nine membership organizations representing 2,000 human services provider organizations across the City to secure the programmatic, financial, and operational resources needed to fully cover costs and meet the contractual obligations of provider organizations holding City health and human services contracts.

Last year the City of New York committed funds to support existing human services contracts in three ways:

- 1) Funding in distinct areas for model budget processes aimed at better aligning costs. Areas receiving investment included preventive services (ACS), senior centers (DFTA), services for runaway and homeless youth (DYCD), homeless shelters (DSS-DHS), and adult protective services (DSS-HRA);
- 2) Cost-of-living adjustments for the human services workforce at a rate of two percent per year for the next three years, which is vital so that providers can recruit and retain qualified staff; and
- 3) New funding to bring indirect cost reimbursement rates to 10 percent, which allows providers to pay for crucial expenses including rent, maintenance, and technology.

The Mayor's Executive Budget, released on Thursday, does not contain further investment in the sector in the areas of indirect, fringe, insurance, and occupancy -- areas we identified as crucial and also supported in the City Council Budget Response. The budget does not contain the continuation of model budgets in new program areas which we agree with because the model budget process has been complex, but this was the avenue identified by the Administration to begin to unravel decades of underfunding on human services contracts and no alternative vehicle has been put forward despite our suggestions and good faith efforts at cooperation and problem solving. Key investments must be made on human services contracts as a whole so that providers can deliver quality services to our communities.

Providers have experienced lags in getting contract amendments for the investments made in FY18, and as we near the end of the fiscal year this is creating cash flow issues as well as making it difficult for providers to finalize their budgets for the new year starting July 1, 2018. While there has been movement in ACS and DYCD, other City agencies have not delivered on promised funds; providers and their staff continue to do the important work of providing services across New York City, but the City has not created a process that gets money to flow to providers in a timely way.

We urge the Administration to release an immediate accounting of disbursements of the \$300 million for model budgets, COLA, and indirect that remain unspent in Fiscal Year 2018. We also ask the Mayor to provide an immediate remedy to the problem of processing delays in human services contracting by tasking the Mayor's Office of Contract Services and the design team at NYC Opportunity with a 30-day review of human services contract management processes and development of a mitigation plan. For the Fiscal Year 2019 budget we ask that the Mayor and City Council baseline and maintain the \$300 million initially appropriated in FY18 and add \$200 million in critical funding for the areas identified by HSASG - indirect, fringe, insurance and occupancy - to meet growing costs for providers delivering essential services to New Yorkers.

## **About the Human Services Advancement Strategy Group**

HSASG is a coalition comprised of the following membership organizations: Human Services Council , Catholic Charities: Archdiocese of New York , FPWA , United Neighborhood Houses , UJA Federation of New York , LiveOn NY , Homeless Services United , COFCCA , The Coalition for Behavioral Health. Collectively, HSASG represents over 2,000 human services organizations that provide a wide range of human services to New Yorkers every day.

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