



**Testimony on behalf of Volunteers of America-Greater New York**  
**The New York City Council Committee on General Welfare and Committee on Finance**  
**Joint Executive Budget Hearing on General Welfare**  
**May 16<sup>th</sup>, 2025**

Introduction and Thanks

My name is Catherine Trapani, Assistant Vice President of Public Policy for Volunteers of America-Greater New York (VOA-GNY). We are the local affiliate of the national organization, Volunteers of America, Inc. (VOA). I would like to thank Deputy Speaker Ayala and Chair Brannan for the opportunity to submit testimony for this hearing.

About Us

VOA-GNY is a 129-year-old anti-poverty organization that aims to end homelessness in Greater New York through housing, health and wealth building services. We are one of the region's largest human service providers, serving more than 12,000 adults and children annually through 70+ programs in New York City, Northern New Jersey, and Westchester and thousands more via our Operation Backpack® initiative. We are also an active nonprofit developer of supportive and affordable housing, with a robust portfolio permanent supportive housing, affordable and senior housing properties—with more in the pipeline. VOA-GNY is a member of the Human Services Council (HSC), Homeless Services United (HSU), The Supportive Housing Network of New York, and the Family Homelessness Coalition (FHC).

Overview of Payment Process and Current Challenges

Thank you, Speaker Adams, Deputy Speaker Ayala, Chair Brannan, and Members of the Council, for your unwavering leadership and for continuing to elevate the critical role that non-profit providers like VOA-GNY play in safeguarding New Yorkers and the urgent need to pay providers on time. As uncertainty continues to grow at the federal level, New York City must do everything within its ability to shore up our human services safety net and restore the fiscal health of city-contracted non-profit organizations. By strengthening local non-profits and ensuring the New York City agencies are well-staffed and working collaboratively with providers, the city can help ease disruptions caused by cuts and changes at the Federal level.

**Swift action must be taken by the administration to clear the payment backlog and process budget amendments and new needs requests for prior fiscal years to make providers like VOA-GNY whole for the services provided. To date, VOA-GNY is owed \$32 Million for services provided through our city contracts with the lion's share owed by DHS.** Recent announcements about increasing advances to nonprofits to address this problem may be useful in the future but, as of now, the majority of the monies owed to our organization stem from prior fiscal years. **We are owed monies for services rendered as far back as Fiscal Year 20.** VOA-GNY has been forced to rely on our line of credit and incur interest costs that are not reimbursable to bridge the gap created by City reimbursement delays. Last year, VOA-GNY



spent \$1,000,000 on interest fees to keep our NYC contracted programs running, and we project spending \$1,500,000 in interest fees for FY25. We could do a lot of good with \$1.5 million if we weren't forced to divert those funds to pay interest to cover the City's fiscal delays.

These delays could also impede our development pipeline, as banks may eventually view our diminished cashflow and the highly leveraged position of our investments as possible concerns when considering future loans for financing affordable and supportive housing projects.

This fiscal strain has become untenable, forcing us to delay the implementation of a much needed cost of living increase for our staff, delay the opening of one new shelter facility, and walk away from another recently awarded contract for two new shelters entirely because we simply cannot afford to carry the costs of operating these programs while the City is mired in delayed payments. DHS and DSS staff are working to clear our pending invoices, but they are resigned to working within an inflexible system that lacks the capacity to quickly address the significant payment delays we are experiencing.

The late payment crisis not only impacts on our ability to function as a service provider, but it also inhibits public oversight of nonprofit spending. VOA-GNY wants to be transparent stewards of public dollars, but the City's delays processing our budget amendments and new needs prevent timely auditing of our contracts. VOA-GNY has outstanding budget amendments dating as far back as FY20 which prevent us from closing our books, which must be done prior to audits. Timely processing of amendments and new needs enables the City to have more effective oversight authority by diminishing the lag for audits of city contracts.

**The following actions are needed to preserve NYC's non-profit human services safety net:**

**1) Immediately deploy a large infusion of funding of at least \$500 Million to contracted providers to cover expenses while the City works to clear the backlog of invoices and budget amendments and new needs**

Repurposing the City's Renewable Grant Fund ("the Fund" for short) as a more flexible and easily deployable source of funding could be effective, however in practice, city agencies are implementing unnecessary barriers which unduly complicate what could have been an otherwise elegant solution. We respectfully disagree with the administration assertions that \$30 million is adequate to administer the Fund given the scale of monies owed to nonprofits. To date, the Fund has only granted \$2.1 Million of our \$12 Million in Fund applications, covering less than 7% of how much the city owes our organization.

The current process requires providers to submit separate applications for each contract and by fiscal year rather than a more unified process, which is labor intensive. Additionally, only some expenses are allowable for Fund reimbursements, and staff at DSS/DHS have begun overseeing approvals for the Fund, choosing to deny applications to reimburse providers for long overdue invoices, under the



assumption that their own staff will be able process payments for the invoices, which completely misses the point that we would not be applying for the Fund if DHS Finance staff could pay our invoices on time.

**2) Process all outstanding budget amendments from current and prior fiscal years to enable providers like VOA-GNY to close our books for multiple prior fiscal years.**

VOA-GNY has outstanding budget amendments on our SRO contracts dating back as far as FY20 for critical investments including new needs for City owned properties to comply with updated building code requirements and protect the safety of our clients and staff, Cost of Living Adjustments (COLAs) which the Council fought so hard for to help our staff, and higher Indirect Cost Rates (ICRs) to cover rising overhead expenses like utilities and administrative costs to run our programs. For our DHS contracts, we still have some Workforce Enhancement Initiative (WEI) dollars, ICR amendments, and new needs which still need to be processed.

While we appreciate DHS granting us permission to submit updated budgets for our FY26 annual approvals instead of our prior approved budgets which are outdated (given the pending prior year amendments still in process), this is a one-off solution. We need contracting agencies to routinely process our amendments with greater regularity, so that we can do timely close-outs for annual audits and are working off of up-to-date approved budgets for annual approvals.

**3) Expand headcount within MOCS, DSS, DHS, DOHMH and other city agencies' procurement staff lines to strengthen the City's overtaxed infrastructure to approve contract actions and reimbursements for human services providers.**

Emergency measures alone won't resolve the City's late payment crisis. The City must invest in the infrastructure of its agencies so that they can appropriately process contracts and payments in real time going forward. Timely reimbursements are critical to maintaining our ability to continue to answer the city's call to stand up new programs and to maintain the flow of our development pipeline of affordable and supportive housing projects.

**DSS, DHS and DOHMH need additional headcount to eliminate the backlog of pending budget amendments and modifications, new needs requests, Form 65A subcontractor approvals and pending invoices.**

We are heartened by the Executive Budget's inclusion of \$8.9 million for MOCS which will fund the hiring of 20 additional help desk staff, as recommended by the Council's Preliminary Budget Response, as well as funding additional system improvements. MOCS is responsible for overseeing the city procurement process and leading reform initiatives to make it more equitable, transparent, and efficient. However, pending contract actions at the contracting agency level are preventing VOA-GNY from getting paid for the services we provided as far back as FY20. This includes updating our budgets with approved Indirect Cost Rates to cover overhead



costs, as well as Cost of Living Adjustments (COLAs) for our staff from prior fiscal years. This is unsustainable for our organization, as continual delays in procurement processes further restrict cash flow, already hindered by an unwieldy reimbursement process which limits us to submitting only two invoices per contract at any given time. MOCS as well as contracting and payment staff at DSS, and DHS need to be adequately funded to ensure that providers' contracting needs are met so that we can focus on providing services to our communities.

In addition to needing to catch up on all pending and yet-to-be-submitted contract actions and to disburse the hundreds of millions owed to non-profits, these city agencies need sufficient headcount to sustainably do the work moving forward. DHS' shelter capacity grew four times larger in recent years, yet their contract services headcount has not had a corresponding expansion. Just as higher caseloads negatively impact on the work of case managers, we cannot expect agencies like DSS, DHS, and DOHMH to resolve significant payment and contracting delays if they do not have sufficient staff to sustain the work.

#### Support for Students in Temporary Housing:

VOA-GNY greatly appreciates the Council's inclusion of \$250 thousand in its Preliminary Budget Response for Operation Backpack®, which helps students living in shelter to start their school year off on the right foot by equipping them with brand new backpacks full of school supplies. In FY25, VOA-GNY was able to provide backpacks to 19,000 homeless students, but to reach every school age child in shelter, **we ask for the Council's support in urging the Department of Education (DOE) to resume its support of the program at \$500 thousand for FY26.** Through the Council and the DOE's support of Project Backpack®, we can help ensure that all students regardless of their housing status can start the school year off with the tools they need to succeed.

#### Investing in Women's Health:

VOA-GNY is immensely grateful to Majority Leader Farias for championing funding in the Council's budget response to create a women's concussion clinic pilot program for survivors of Domestic Violence (DV). The ability to refer survivors to specialized trauma-informed care provided by the clinic will strengthen VOA-GNY and other DV shelter providers' ability to treat these often overlooked but debilitating injuries. We applaud the Council and urge the Mayor to approve this funding in his final budget.

#### Supportive Housing Investments:

VOA-GNY applauds the Mayor for inclusion of \$46 million in the FY26 Executive Budget to reallocate unawarded NYC 15/15 scattered-site units towards the development and preservation of 5,850 units of supportive housing in the NYC 15/15 initiative. Thank you to Speaker Adams and the Council for including this in their FY25 Preliminary Budget Response



and Council Member Lee for leading a sign-on letter in support of this key investment to maximize utilization of NYC 15/15 units.

VOA-GNY appreciates the Mayor's additional investment of \$45.1 million in his Executive Budget for funding Indirect Cost Rate (ICR) growth for human services providers including Human Resources Administration contracts. This investment will be critical to helping right-size the operating budgets for our Single Room Occupancy (SRO) supportive housing contracts, to better reflect the cost of maintaining this much-needed housing stock.

Investing in CityFHEPS Rental Assistance:

VOA-GNY urges the City to accurately budget for the full cost of operating CityFHEPS including rightsizing the funding set aside for vouchers for FY26 and the outyears without increasing the rent burden of working tenants receiving the voucher longer than five-years and ensuring sufficient resources for timely administration of applications and renewals. We thank the Council for including in their Preliminary Budget Response a \$25 million investment in CityFHEPS staffing and infrastructure. We urge the Council to oppose the pending rule change that would increase rents for up to 25% of City FHEPS voucher holders, all of whom are working, and who have remained on the program for five years or more.

Legislative Solutions to Protect Non-Profit Human Service Providers:

**Int 1247-2025:**

VOA-GNY strongly supports the Speaker's legislation which would require city agencies to disburse 80% of the fiscal year contract to non-profit providers upon contract registration. Current contract advances of 25 to 30% are insufficient to cover the prolonged lag of amendment registration and invoices each year. Even the recent announcement of advancing up to 50% falls short of what is needed to overcome a renewed backlog every year. Because of multi-year delays with approving budget amendments, we are forced to start each fiscal year using the most recent approved budget in order to receive any payment at all when the new year starts— in our case, those dollar amounts may be as old as fiscal year 18. Meanwhile, the actual cost to run our programs is much higher, which means we will exhaust our advances much faster than the schedule suggests. In an ideal world, the advance would be large enough to sustain the organization while providing the city with enough time to address any amendments stuck in the pipeline, such that by the time the advance runs out, we are able to invoice for our full, actual expenses. Given how far behind the city is now, and how historically these delays compound when demand for services increase, a significant advance is necessary to ensure we can continue to operate. Larger advances and healthy cash flow will also make doing business with MWBEs and other small businesses easier since they often opt not to bid on subcontracts with human services providers because they cannot afford to float the cost of rendered goods and services for the nine plus months it takes for the city to reimburse



providers. By moving to this 80% upfront model, the city can widen access to more MWBE and small businesses, creating more options for VOA-GNY and other providers to do business with, such as restaurants and businesses within the community which offer culturally competent foods and services for the people we serve.

**Int 1248-2025:**

VOA-GNY supports the Speaker's legislation to establish the Department of Contract Services, headed by a commissioner, who would serve as the City Chief Procurement Officer. While the City has made strides to improve the procurement process for the non-profit sector over the years, interpretation and implementation of procurement policy has varied by city agency, resulting in varying equivalent processes and agency-specific bottlenecks. By centralizing the accountability of all agency ACCOs and offices with oversight of procurement, we hope this new Department can achieve the long-envisioned standardization and streamlining of non-profit procurement process citywide. Given the Department's broad vision and authority, we also think it would be ideal to take up the unfinished goals of the Mayor and Comptroller's Joint Task Force focused on resolving contracting delays for non-profit organizations<sup>i</sup>.

**Int 514-2024:**

VOA-GNY strongly supports the intent of this legislation which would make interest a reimbursable expense when the City of New York fails to pay for services on time. Passing this legislation would hold providers harmless when the city does not pay its bills on time. Our one note of caution is that the language as written should be clarified to prevent the agency from using monies budgeted for programming to cover interest reimbursements.

While in some instances, that may mean that providers simply serve fewer people (an outcome that is undesirable but possible), shelter providers do not have the option to reduce services because our clients are in residence irrespective of when the contract is scheduled to renew. Regardless, our costs are fixed regardless of occupancy and, there is a right to shelter making scaling back programs impractical in any case. Therefore, while we could in theory be reimbursed for interest payments, unless new funding is added to the contract to pay this cost, we would still be operating at a deficit.

## **VOLUNTEERS OF AMERICA-GREATER NEW YORK FY2026 DISCRETIONARY BUDGET PRIORITIES**

### **CITYWIDE INITIATIVES**

#### **Veterans Community Development (Total \$100,000; Renewal; Ref 181375)**

The funds support VOA-GNY's part-time Economic Employment Coordinator who assists the staff of our citywide VA-funded Supportive Services for Veteran Families (SSVF) program, as well as veterans housed



within our multiple permanent supportive housing sites. Veterans are connected to employment and training opportunities in high-demand fields like transportation, healthcare and construction. Additional funds would allow us to cover veterans' costs related to training and employment, housing placement, and meeting basic needs, and costs related to recreational, education, and therapeutic programming at our congregate housing sites with set-aside units for Veterans.

### **BOROUGH DELEGATION/MEMBER DIRECTED INITIATIVES**

#### **Food Pantries (Total \$60,000/\$20,000 per Borough):**

- **\$20K Bronx (New Request; Ref 187658)**
- **\$20K Brooklyn (Renewal; Ref 181379)**
- **\$20K Manhattan (New Request; Ref 187632)**

Funds provided by the Bronx, Brooklyn, and Manhattan Delegations would be used exclusively for the purchase of food to be distributed at no cost to residents of VOA-GNY operated temporary and permanent housing programs within each respective borough. VOA-GNY maintains pantries at all our permanent housing sites, as well as shelters where residents prepare their own meals. City Council fundings would expand our budgets allowing us to purchase more nutritious and culturally appropriate foods and offsetting the impact of inflation on both our programs and our clients.

#### **Domestic Violence and Empowerment (DoVE) Initiative (Total \$100,000; Renewal):**

- **District 18, \$30K Farias (Ref 181386)**
- **District 27, \$10K Williams (Ref 181387)**
- **District 37, \$30K Nurse (Ref 181382)**
- **District 42, \$30K Banks (Ref 181370)**

These funds enrich services available at our DV shelters and safe dwellings within Districts 18, 27, 37, and 42, by assisting survivors with meeting basic needs, as well as promoting their healing journey through social-emotional and recreational programming. Funds will also be used to raise awareness about the link between brain injury and DV and to support outreach efforts to those experiencing interpersonal violence to promote quickly exiting dangerous situations towards safety.

#### **Support our Older Adults (Total \$45,000; Renewal):**

- **District 16, \$15K Stevens (Ref 181378)**
- **District 18, \$30K Farias (Ref 181377)**

Funds will be used to promote the health and wellness of older adults in Districts 16 and 18 permanent supportive housing sites dedicated to, or with high proportion of low-income seniors. It will cover recreational activities and group workshops to promote physical, economic, and emotional well-being, training for staff, on evidence-based approaches and interventions, purchasing of adaptive technologies or other items that support independence and reduce risk of falls or other household accidents, and distribution of food pantry and other basic needs.



## **MEMBER DIRECTED ITEMS**

### **Operation Backpack® \$520,000/ \$20,000 per member (New Request; Ref 179272)**

Due to historic budget pressures in 2024, the NYC DOE did not contribute financially or in-kind to Operation Backpack®, VOA-GNY's signature service campaign, which partners with the Department of Social Services and our sister organizations to provide grade-specific school supplies to every school-aged child in the shelter system prior to the first day of school. We are seeking the support of Councilmembers throughout the city to offset the rising cost of the program as DOE participation remains uncertain and ensure that we can continue to help homeless kids get their school year off to a strong start in the 2025-26 school year.

### **CM Salaam \$20,000 Request (Renewal; Ref 181368)**

Funds would be used to expand programming and resources available for formerly homeless adults living within VOA-GNY programs in District 9. This includes recreational activities, celebrations, and group workshops that promote physical, economic, and emotional well-being, training for staff on evidence-based approaches and interventions, and distribution of food pantry and other basic needs.

### **CM Sanchez \$20,000 Request (Renewal; Ref 181373)**

Funds would enrich social and recreational programming within two sites within District 14 which provide affordable and permanent supportive housing for older adults and formerly homeless seniors, as well as providing food and other basic needs for residents.

## **Closing**

VOA-GNY is grateful to Speaker Adams, Deputy Speaker Ayala, Chair Brannan, and Members of the Council for your steadfast commitment to non-profit human services providers and the New Yorkers we serve, and we continue to stand ready to partner with both the Council and the Administration in supporting the needs of all New Yorkers.

Testimony respectfully submitted by Catherine Trapani.

---

<sup>i</sup> New York City Mayor Adams' Office and New York City Comptroller Lander's Office, A Better Contract for New York, February 14, 2022, <https://comptroller.nyc.gov/reports/a-better-contract-for-new-york/>