

NYC Council Testimony : Preliminary Budget Hearing, Committee on Contracts

March 25, 2026

Introduction and Thanks: My name is Catherine Trapani, and I am the Assistant Vice President for 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 Chair Restler and members of the Committee for the opportunity to submit testimony for this hearing.

About Us: VOA-GNY is an 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, impacting more than 12,000 adults and children annually through 70+ programs in New York City, Northern New Jersey, and Westchester. We are also an active nonprofit developer of supportive and affordable housing, with a robust portfolio of permanent supportive housing, affordable and senior housing properties—with more in the pipeline.

Paying nonprofits in full and on time:

City-contracted non-profit human services organizations, like VOA-GNY, deserve to be paid on time so that we can continue to provide critical shelter and human services to vulnerable New Yorkers. Thanks to the Council's efforts, critical legislation was passed last year that, when fully implemented, will finally create predictable cash flow that will allow nonprofits like ours to focus on our core mission of providing services instead of constantly worried about making payroll. **We are particularly focused on ensuring Int 1392-2025/ Local Law 11 of 2026 to establish quarterly 25% advances for Department of Homeless Services contracts is faithfully implemented.**

As of June 30th, 2025, Volunteers of America-Greater New York was owed approximately \$40 million for services rendered through our city contracts as far back as Fiscal Year 20, with the lion's share owed by DHS (\$18.7 million) and HRA (\$10 million). While the loan fund operated by the City helps defray some of these costs, the truth is that many of our expenses are not eligible for bridge loans. As a result, VOA-GNY was forced to rely on our private line of credit and incurred non-reimbursable interest costs

to bridge the gap created by City reimbursement delays. VOA-GNY spent \$1.08 million for FY25, and budgeted \$1.14 million for FY26; money we could use to do a lot of good, if not for the City's fiscal delays.

Each year, the net dollar amount owed to VOA-GNY is lower at the beginning of the fiscal year than it is at the close of the prior year due to the influx of advances. However, because of chronic delays in invoicing and payments, many of our contracts are not in a place where we can draw down funds with any predictable cadence, even after registration and receipt of that initial advance. That means that once those advances are exhausted, typically by the start of the second quarter, we are plunged back into a cash flow crisis as expenses continue to be incurred because the agencies never catch up on all outstanding budget actions.

With the implementation of Local Law 11 of 2026, because providers will no longer run out of cash by the second quarter, DSS and DHS fiscal staff will be able to move away from constantly managing crises. They will in turn regain capacity to fully address the backlog of prior years' budget actions, and DHS shelter providers can finally end the cycle of retroactivity. As a result, our organization will be able to reduce our reliance on costly private loans to keep our staff and vendors paid while also improving agency oversight.

Investing in Agency Staffing:

Even with reforms to the contracting and payment processes, it is still critical that City agencies including MOCS, DSS, DHS and HRA are appropriately staffed to carry out the important work of registering and administering City contracts. The number of contracts administered by these agencies has dramatically increased over the years, but their headcount dedicated to approving and overseeing these contracts have not kept pace with the growth. Even with efficiencies and investment in technology to ease the workload of these offices, it is still important to ensure there are sufficient staff to eliminate the backlog and process payments going forward. While it may be tempting to eliminate open positions as a budget saving exercise, the cost of delays is being borne by nonprofits who cannot sustain this burden. It is imperative that we support City agencies to achieve full staffing.

Investing in the Human Services Workforce:

None of the work VOA-GNY does would be possible without our incredible staff. As proud members of the #JustPay campaign, our aim is to ensure that every human service worker is compensated fairly for the valuable work they do. We are grateful for the City's multi-year COLA investment that the Council helped create, which was an important step towards this goal, but the reality is, even with the COLA, **nonprofit workers are paid up to 30% less than their government counterparts. Int 0452 is a huge step forward that could finally change that, and VOA-GNY supports the passage of this legislation.**

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. Int 0452 is a significant step towards ensuring that human services workers receive equitable pay comparable to their City counterparts. By establishing a clear wage requirement system, this legislation promotes transparency in compensation, ensuring that every worker is paid solely based on their qualifications and experience.

Closing:

Thank you for the opportunity to submit testimony. Should you have any questions, I can be reached at ctrapani@voa-gny.org.

Respectfully submitted by Catherine Trapani, Assistant Vice President of Public Policy,
Volunteers of America-Greater New York