



**Testimony on behalf of Volunteers of America-Greater New York
The New York City Council Committee on Mental Health, Disabilities, and Addiction
Preliminary Budget Hearings
March 24th, 2025**

Introduction and Thanks

My name is Eric Lee, Director 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 Chair Lee and the Members of the Committee for the opportunity to submit written 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, 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 Supportive Housing Network of New York, the Human Services Council (HSC), Homeless Services United (HSU), and the Family Homelessness Coalition (FHC).

Thank you to Chair Lee and Members of the Committee for your steadfast leadership and commitment to the services needs of fellow New Yorkers who struggle with mental health challenges or suffer from substance use disorder. We know that with the right services and support, families and individuals who face these challenges can attain and maintain stability and flourish within the community. As uncertainty continues to grow in Washington DC, New York City must meet the moment and shore up our human services safety net, to restore the fiscal health of city-contracted nonprofit providers and to blunt the impact of Federal cuts to services and benefits.

The City of New York must immediately pay all outstanding invoices in PASSPort, halt recoupment of advances and, advance an additional \$500 million to the human services sector to ensure nonprofits can remain solvent through the end of the fiscal year.

New York City owes the nonprofit sector hundreds of millions of dollars for work already completed. In many cases that work was completed several fiscal years ago. VOA-GNY alone is owed nearly \$40 million dollars, \$4.2 million from DOHMH as far back as FY19, and has been forced to rely on our line of credit to continue operations. This fiscal strain has become untenable, leading us to delay the opening of one new shelter facility and walk away from another recently awarded contract entirely because we simply cannot afford to do carry the costs of operating these programs while the City is mired in delayed payments. The added uncertainty regarding the leadership of MOCS adds to our anxiety and underscores the need for decisive leadership on this issue from the top. **We implore the City to take emergency action to clear the backlog of pending invoices, stop recouping advances until payments flow smoothly, and issue additional advances as needed to restore positive cashflow to nonprofits like us so we can remain full partners in addressing the crisis of homelessness.**



Increase Funding for MOCS, DOHMH, DSS, DHS, and other City Agencies to process and approve contract actions and reimbursements for human services providers.

Emergency measures alone won't solve the City's late payment crisis. The City must invest in the infrastructure of its agencies so that they can appropriately process contract and payment 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.

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. This 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 FY26. We could do a lot of good if we weren't forced to divert funds to pay for 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.

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

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 are preventing VOA-GNY from getting paid for the services we provided as far back as FY17. 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 cashflow already hindered by an unwieldy reimbursement process which limits us to submitting only two invoices per contract at any given time. MOCS, DOHMH, 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 and so we can support what MOCS is asking for in the budget to ensure appropriate service levels.

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 MOCS, DOHMH, DSS, and DHS to turn around these significant payment and contracting delays if they do not have sufficient staff to sustainably do the work.

Additional FY26 Funding Recommendations:

- **Invest in NYC 15/15 Reallocation of scattered site awards to congregate supportive housing**
 - **Add \$307M in capital to develop and preserve NYC 15/15 units in FY26**
 - To date, NYC has only awarded 20% of its scattered site awards from 2015, while fully awarding all 7,500 of its congregate units. If the city does not prioritize more congregate units, it risks failing to reach its 15K-unit goal by 2030.



- **Add \$45M for services and operating for NYC 15/15 reallocated units**
 - Scattered site programs are not as service-rich compared to congregate models, so this investment would enhance initial funding to enrich services and overhead for reallocated units.
- **Add \$27M to increase existing congregate units to sustainable levels**
 - Rising expenses for rent, staffing, food, and overhead costs create shortfalls for programs over time. This funding would backfill these funding gaps.
- **Dedicate Funding for Int. 29 (Farias) to Train First Responders and Service Providers to Screen for Traumatic Brain Injury (TBI)**

By providing training to first responders to screen for TBIs, they can diagnose and provide appropriate care for these serious but often overlooked injuries much sooner. **This would particularly help identify TBI in survivors of domestic violence (DV) at the earliest moment they ask for help, rather than later when they enter shelter.** Survivors are often subjected to choking and strangulation, which has a high correlation with TBIs, with more than half of our survivors in one of our DV shelters screening positive for TBI which can have a negative impact on a survivor's ability to maintain employment and housing. By earlier detection and treatment, survivors and others can more quickly heal from this debilitating condition.

Legislative Endorsements:

- **Int 514-2024 (Brannan):**
 - VOA-GNY strongly supports the intent of this legislation, which would make interest a reimbursable expense for city-contracted non-profit providers when the city provides delayed reimbursements for their contracts. This legislation would create an effective financial incentive for the city to pay its bills on time. Non-profit providers like VOA-GNY cannot continue to wait for years to be paid for services rendered. One note of caution is that the bill language should be clarified to prevent monies budgeted for programming to be able to be billed against to cover the cost of interest payments for a contract. Additionally, we recommend the reimbursable interest rate should be the actual interest rate charged to the nonprofit provider.
- **Int. 29-2024 (Farias):**
 - VOA-GNY strongly endorses this legislation to require training for first responders and service providers about how to recognize traumatic brain injury (TBI) in DV survivors as well as collaborating with NYC ENDGBV to conduct a public awareness campaign on this correlation. Greater awareness and screening for TBI will enable more survivors to seek treatment for these critically overlooked injuries.
- **Int. 1191-2025 (Nurse):**
 - VOA-GNY supports this legislation to study the 2010e supportive housing application to identify and remove parts of the application which are not required by state or federal law. As VOA-GNY's Street to Home pilot program demonstrated, people experiencing street homelessness can stabilize and thrive when quickly placed into supportive housing through a Housing First approach, given the right support.



Thank you, Chair Lee and Members of the Committee on Mental Health, Disabilities, and Addiction, for your stalwart leadership and service to low-income and vulnerable New Yorkers and the non-profit human services sector. In this time of growing uncertainty, New York City can continue to be a shining example for this country of how government and non-profit providers can partner to safeguard the wellbeing of everyone we serve. Thank you for the opportunity to submit written testimony.

For more information, please contact me at elee@voa-gny.org