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**New York City Council FY2019 Preliminary Budget Hearing**

**New York City Council Committee on Aging**

**Honorable Margaret Chin, Chair**

**Testimony of United Neighborhood Houses**

**Presented by Liza Schwartzwald, J.D., Policy Intern**

**March 23, 2018**

Thank you for convening today’s hearing. My name is Liza Schwartzwald and I am here representing United Neighborhood Houses of New York (UNH). UNH is the association of New York City’s 39 settlement houses and community centers that collectively benefit over 750,000 New Yorkers annually – from pre-natal care through older adult services – with programs at over 650 sites throughout the city. Our network’s older adult service alone reach 70,000 individuals each year, via programs including senior centers, Naturally Occurring Retirement Communities (NORCs), home delivered meals, case management, social adult day care, caregiver supports, friendly visiting, behavioral health, transportation, and homecare.

We would first like to thank the City Council, and in particular, Chair Chin, for all of the leadership you have provided on older adult issues over the years, including last year’s “Year of the Senior.” We appreciate that today’s hearing provides an opportunity to revisit the progress the City has made on older adult programs, as well as to examine how the Department for the Aging (DFTA) and the City Council can best continue supporting older adults in New York City. This testimony will focus primarily on the senior center “model budget” process, NYCHA-based DFTA senior centers, home delivered meals, and the restoration or expansion of several Council initiatives including NORCs, Geriatric Mental Health, Support Our Seniors, and Healthy Aging.

**Senior Center “Model Budget”**

UNH appreciates that last year the Administration began to address the chronic underfunding of senior center contracts by investing $10 million in a “model budget” process, with the goal of more closely funding the true cost of administering senior centers. However, it is clear that with nearly 250 DFTA- funded senior centers across the City, $10 million only represents a down payment on this process. Further, we are disappointed that there was not greater transparency from the City as to the methodology and rationale for how the model budget process was to be pursued, and for the delay—it was just this week that instructions from DFTA were sent to providers about how they could access additional dollars for their FY2018 contracts slated to end in just a few months.

What has been communicated to senior center providers at this point is that this additional funding for the “model budget” will only begin to address programming and personnel costs, with key cost drivers such as rent, food, and OTPS costs excluded. In addition to this significant problem, UNH is concerned that given the scope of the contract amendment process before DFTA, its limited infrastructure, and how much time has already elapsed in this fiscal year, that funds will not be disbursed quickly enough for providers to make use of them before June 30th. Further, while the City has indicated that by FY2021 they will invest an additional $10m in the “model budget process,” it is not clear on what timeline that will happen and whether those funds will be sufficient to address the cost factors explicitly excluded at this point.

In order to achieve the best possible outcome from this “model budget” process that has been started, UNH recommends:

* That the City ensure that DFTA has the infrastructure and mechanisms in place needed to execute the $10m in contract amendments immediately,
* That the City invest an additional $4.5m in FY2019 (a $1.00 per meal increase) to address the exclusion of congregate meals from the senior center “model budget,”
* That the City include the second $10m promised for DFTA’s “model budget” process as soon as possible and no later than FY2020, and
* That DFTA more closely work with providers and advocates on the planning and implementation of the remainder of the “model budget” process in the months and years ahead.

**Senior Centers Located in NYCHA Facilities**

Outside of the aforementioned issues with senior center budgets, unmet maintenance needs are one of the most challenging issues for providers specifically operating DFTA-funded senior centers within NYCHA community spaces. The City has historically failed to consistently provide the funding (or cut the red tape) necessary to appropriately maintain senior center programming spaces in public housing. As such, providers wait for unreasonably long times for even the smallest fixes to these properties. These unmet needs create unfavorable conditions for older adults, even where such fixes are fairly inexpensive. UNH recommends a $5 million investment in DFTA’s FY2019 budget, with which providers could accelerate the maintenance and facilities issues that negatively impact on the operating environment of DFTA-funded senior centers.

**Home Delivered Meals**

Home delivered meals are an essential support that provides a daily, nutritious meal to older adults who may be homebound or otherwise unable to participate in senior center congregate meals. These meals are delivered daily, affording older adults the opportunity to benefit not just from the meal, but also from the regular interaction with staff. These staff exist as an important wellness check for older adults at risk of social isolation.

However, these programs are struggling with rising costs, including purchasing raw foods, as well as providing competitive wages for delivery and service staff. On average, DFTA’s reimbursement rate for a Home Delivered Meal is significantly less than the average real cost of providing a meal. The average national cost of providing a home-delivered meal is $11.06 per meal. Within the UNH network, the average reimbursement is roughly $8.12 per meal, and across DFTA programs at large, closer to $8.50. The gap between cost and reimbursement grows even larger when taking into account the need for culturally appropriate meals, such as kosher meals, which can cost more to source and prepare.

DFTA reimbursement rates must reflect the true cost of providing meals, including an accounting for the higher cost of culturally appropriate and therapeutic meals, as well as regular cost escalators to account for rising food costs over time. To that end, UNH recommends the City invest $7.6 million in home delivered meals in FY2019, an increase of $1 per meal. Though this will not cover the total cost of meals, and additional investments will be needed over time, this funding enhancement now will help close the gap between the actual costs of food services and contracted reimbursement rates.

**Council Aging Initiatives**

The City Council has historically played a critical role in funding services to older adults through Council Initiatives. We appreciate your ongoing leadership and for the FY 2019 budget we recommend the renewal and/or expansion of the Naturally Occurring Retirement Community- Supportive Service Program (NORC-SSP), the Geriatric Mental Health Initiative (GMHI), the Healthy Aging Initiative, and the Support Our Seniors Initiative.

**The Naturally Occurring Retirement Community (NORC) supportive service** **program** provides on-site supportive services, such as case management, nursing services, and health and wellness programming, to apartment buildings and complexes with high concentrations of older adults. Both community members and providers appreciate this model because it recognizes the strength of older adults and provides for their needs simultaneously. In addition to renewing the Council’s $3.85m investment, UNH recommends an additional $1.15 million, for a total of $5m in FY201. This investment could be used to increase existing NORC budgets in order to address nursing costs, and/or to launch NORC services in new communities.

**The Geriatric Mental Health Initiative** funds mental health services in community spaces where older adults gather, as well as in their homes, and is an important part of improving access to, and removing the stigma associated with mental health care. UNH encourages the City Council to restore this initiative at its FY2018 level of $1.9 million with an additional investment of $600K, for a total of $2.5 million, in order to expand these critical services.

**The Healthy Aging Initiative** provides funding for health promotion services to prevent chronic disease, prevent falls, and promote good nutrition and exercise at senior centers and other sites, and the **Support Our Seniors Initiative** provides funding for any organization funded through a city agency that administers senior services and programming. Providers of older adult services cite these initiatives as key to their ability to provide nursing support within their senior center and NORC programs. We encourage the city to renew these two valuable initiatives at their FY2018 levels of $1.81 million and $3.06 million respectively.

**Human Services Sector General Support**

In addition to our requests on behalf of older adults and the settlement houses that serve them, it is essential that the City recognize and address the larger-scale underfunding of city contracts across the nonprofit human services sector as a whole, which is calling into question the solvency of nonprofits and their ability to provide services in their communities. In support of this sector and the nonprofit workforce serving their communities, we strongly encourage that the City establish contracting principles that 1) bring all human services contracts up to a 15% indirect rate, and 2) bring fringe rates up to 37% (including 15% for health insurance). In addition, immediate investments are needed to 1) provide a 10% increase on occupancy costs (a critical omission in the “model senior center” budget), and 2) provide a 10% increase on casualty and liability insurance budget lines. The sector estimates these contract fixes will cost upwards of $200 million, and calls on the Administration to conduct the necessary analysis, and take the appropriate steps to implement these recommendations in FY2019.

Settlement houses recognize older adults as key resources in strengthening the fabric of communities in New York City. Our City’s aging population is uniquely situated to give back to their communities, but the extent to which they can do so is dependent on the support they receive from the City. New York must continue to focus on supporting this growing population as they move into new phases of life so that they can keep contributing and participating in their communities. Funding the programs that support these older residents is an integral part of supporting the community at large, and empowering older adults to be full and valued members of their community should be a top priority for this Administration and City Council.

Thank you for your time and consideration.