



45 Broadway, 22nd Floor, New York, NY 10006
212-967-0322 | www.unhny.org

**Testimony of United Neighborhood Houses
Before the New York City Council Committees on Contracts, Aging, and Youth Services
Oversight - Youth and Senior Services Nonprofit Contracting during a Pandemic**

**Council Member Ben Kallos, Chair, Committee on Contracts
Council Member Margaret Chin, Chair, Committee on Aging
Council Member Deborah Rose, Chair, Committee on Youth Services**

Submitted by Tara Klein, Policy Analyst

June 23, 2020

Thank you for hosting today's important hearing on nonprofit contracting during COVID-19, with a particular focus on youth and senior services. United Neighborhood Houses (UNH) is a policy and social change organization representing 43 neighborhood settlement houses that reach 765,000 New Yorkers from all walks of life.

A progressive leader for more than 100 years, UNH is stewarding a new era for New York's settlement house movement. We mobilize our members and their communities to advocate for good public policies and promote strong organizations and practices that keep neighborhoods resilient and thriving for all New Yorkers. UNH leads advocacy and partners with our members on a range of issues including civic and community engagement, neighborhood affordability, healthy aging, early childhood education, adult literacy, and youth development. We also provide professional development and peer learning to build the skills and leadership capabilities of settlement house staff at all levels.

With New York City at the epicenter of a global pandemic, the recovery and long-term well being of our city is of the utmost importance. COVID-19 has ravaged New York City's economy and safety net and has underscored the significant racial and economic disparities that have impacted New York City's neighborhoods for decades. Just as they did through other crises that our city has faced, settlement houses have been on the front lines of the COVID-19 emergency response by continuing to deliver essential services to New Yorkers, including providing emergency food, counseling, shelter, youth and family supports, and more.

We have seen numerous rapid changes to contracted programs, with youth and aging service providers being forced to significantly shift their operations in order to comply with health and safety guidelines. To the City's credit, the March 18, 2020 guidance from the Mayor's Office of Contracting Services (MOCS) gave providers assurances that they would continue to be reimbursed for services provided even if they could not meet their original contract obligations. This gave providers the space to ensure staff could continue to be paid and allowed some stability in a chaotic time.

However, due to resulting revenue shortfalls, New York City is proposing significant budget cuts to youth services programs, and based on histories of previous financial crises, we fear that more cuts

are coming to human services. These programs have become a lifeline for vulnerable New Yorkers during this crisis, and that will be crucial to our city's recovery. Economic recovery from the COVID-19 crisis will only be possible if settlement houses are able to continue serving their neighborhoods. The supports that settlement houses provided before—housing assistance, mental health care and homecare, workforce development, early childhood education, food assistance, youth programming, and case management—are all the more crucial to assist our communities now. **We understand that difficult choices have to be made, but urge the City to preserve key programs and investments in the human services sector—including last year's investments in higher indirect rates and salary parity for early childhood educators—so that the sector remains stable over the coming months and can continue their work helping New Yorkers recover.**

Our testimony will share key details around some of the experiences of human service providers around aging and youth programs throughout the COVID-19 pandemic.

Aging Contracts

Older adults are the age group most vulnerable to COVID-19, and as such they have faced some of the most dramatic changes to daily life and services. Many have been unwilling to risk going outside to collect food and supplies, face a digital divide in utilizing technologies that connect us like video conferencing, and are at high risk of mental health challenges stemming from social isolation and uncertainty. While the challenges have certainly been large and unprecedented, it is important to note that the Department for the Aging (DFTA) has exhibited numerous contracting challenges since the onset of COVID-19, and a number of unanswered questions about the future of services remain.

DFTA Direct and GetFood NYC

First, while the City's provision of emergency meals to older adults has overall been beneficial to those with growing food insecurity, the programs have been wrought with administrative hurdles. Senior centers that previously served congregate meals to their communities underwent several swift changes to meal distribution. The early switch from an in-person congregate meal to a grab-and-go model was very popular, but changing health guidelines quickly eliminated this program in favor of a new emergency food delivery service, which came to be known as DFTA Direct. Instead of utilizing existing senior centers to prepare food and manage delivery to their communities, DFTA issued an emergency RFP with an extremely tight deadline that was not made widely available to those senior centers. Several private vendors were selected to prepare and deliver the meals, while senior centers were instructed to staff their buildings to act as holding areas for that food.

At this point, a number of major barriers to service delivery began. There were many concerns about the quality of the food, with complaints including food that was difficult for seniors to chew and low availability and quality of culturally-appropriate meals (especially kosher meals). In a well-known case, one vendor was delivering subpar snack-type food and subsequently their contract was terminated. For senior centers, there was a long-standing problem of not having access to the names of older adults who were placed on rosters to receive meals. Instead of assigning older adults to a vendor based on the senior center they attended, they were broken up by address. While this in itself was not a problem, senior centers were not provided with these lists or a way to look up an older adult to see if they were scheduled to get meals, and when those deliveries would be made. As a result, senior centers were inundated with phone calls from older adults: some did not receive their meal while their neighbor got one, some wanted to know when the meal would be delivered, some wanted to make sure they were signed up, etc. Without access to these lists or a delivery database, senior centers were unable to answer these questions. On top of the problems of adequate food not reaching older adults in need, senior centers took the brunt of blame for these mishaps, even though they were not responsible for them.

Eventually, the DFTA Direct contracts and management of the program were transferred to the City's new Food Czar, managed by Commissioner Kathryn Garcia and the Department of Sanitation (DSNY), under the umbrella of the City's broader GetFood NYC emergency food program. DSNY listened to providers and advocates to address some of the biggest challenges, for example, by implementing a new trusted enroller program to allow senior center staff to sign people up for food directly. While some things have gotten better, reports indicate there are still some problems, including poor quality food and some meals that resemble snacks. Now, providers indicate that older adults are calling them to cancel their GetFood meals, becoming more willing to risk going outside to the store to shop for food they prefer.

As the City moves toward reopening, questions remain about how GetFood will wind down, including whether DFTA will resume control of these contracts and when senior centers will be asked to phase meal services back in. We hope these types of questions will be answered with the input of providers with service experience, and that plans are communicated well in advance of their anticipated implementation date so programs can prepare. It is important for any phase in to be clearly communicated and flexible, in the event that there is another outbreak and programs need to close again.

Further, with several millions of dollars budgeted for GetFood in the Executive Budget for FY21, there are outstanding questions around how long these funds will be used, whether there is a timeline for how long the program will continue, and whether emergency appropriations would be made if all budgeted funds were spent but there was still a need for the GetFood program. Alternatively, if the program ends before funds are fully spent, UNH recommends that any unspent GetFood NYC funds be redirected to fund DFTA's home delivered meals programs and senior center food programs.

Notably, the Food Czar recently collected responses to a Request for Information (RFI) for nonprofits who are interested in being part of the City's emergency food response. While we are glad the City recognizes the critical role of nonprofits in providing for their communities, this RFI has come fairly late in the progression of the pandemic. Unfortunately, we know that many aging services programs that regularly prepare or distribute meals did not apply due to stringent requirements they could not meet such as the number of meals provided and the provision of delivery trucks or vans. While an RFP has not yet been released, we hope any future procurement will take these lessons into account and provide more flexibility.

Home Delivered Meals

Some of the challenges of DFTA Direct and GetFood NYC result from the use of private vendors with little experience in senior meal delivery, though there are many community-based organizations with long-standing programs who could carry out this work. This is especially clear by looking at the home delivered meals program (HDM), a DFTA-contracted program that existed before COVID-19, continued during the pandemic, and will continue in the future. HDM includes meal delivery and regular case management assessment, with in-person wellness checks part of the model to support the most vulnerable homebound older adults.

During COVID-19, HDM providers were instructed to continue business as usual. At the same time, the program saw demand increase rapidly, with many indicating a 20-30% uptick in clients as urgent community needs grew. Notably, there was also increased strain on DFTA-contracted Case Management programs, which in part refer clients to receive HDMs. While operating as normal with this new demand, HDM programs expressed concerns about deliverers putting themselves at risk to enter people's homes, without receiving any incentive pay. Regardless, programs continued to provide appropriate and individually-tailored meals, often drawing into what organizational reserves they had to do so.

DFTA currently has a new Request for Proposals (RFP) out for the home delivered meals program, which includes several programmatic changes to increase meal choice. This RFP was released before COVID-19 hit, and since then the deadline has been postponed several times. It is currently due tomorrow, June 24th, with contracts scheduled to begin January 1, 2021 (this start date represents a six-month delay from initial plans). The RFP lists the number of meals to be served in each catchment area, but these numbers are no longer accurate, given the increased demand we have seen and uncertainty about how these numbers will change in the future. Further, providers are still responding to the COVID-19 crisis and are focused on running their programs and applying for emergency funding sources. A pandemic is not the time for the City to release a new procurement, and this RFP must be postponed until after COVID-19 has subsided. We must take the lessons we have learned from this crisis about emergency food, social isolation, and the needs of older adults in order to create a stronger home delivered meals system in the future. Changing the program now runs the risk of older adults falling through the cracks.

COVID-19 has also underscored how the wrap around supports that home-delivered meals clients receive—case management, regular contact from drivers who are trained on how to work with older adults, and tailored and nutritionally appropriate meals—are crucial. Nonprofit providers have shown throughout COVID-19 that they are finely attuned to their community’s needs, understand how to tailor meals to support individuals, and can provide effective social supports to older adults. From what we have seen from the DFTA Direct and GetFood programs, this is not the case for private vendors.

Further, we have heard reports that DFTA instructed HDM providers to stop signing up new clients in May and instead to refer them to the GetFood program, and has also told some providers to transfer some existing clients into GetFood, even though that program does not provide the social supports that many clients need.

Despite its overwhelming success in maintaining health and nutrition throughout the pandemic and beyond, the home delivered meals program is underfunded, with DFTA contracts failing to cover the full cost of providing meals. Before the pandemic, some providers individually reported losing hundreds of thousands of dollars each year on their contracts. DFTA contracts reimburse providers approximately 25% below the national average cost of a home delivered meal. This underfunding has only been made more acute by the increased demand during COVID-19. Ultimately this underfunding impacts the quality and availability of services for the older adults who rely on these meals.

In addition to postponing the RFP, the City must allocate \$26.2 million in emergency funding for the home delivered meals program, including \$8.5 million retroactively for FY 2020 and \$17.7 million for FY 2021. This funding will cover increased demand and incentive pay for staff during the pandemic and address long-standing underfunded contracts.

Future Procurements

Before the pandemic, DFTA was on track to reprocur several other programs, including senior centers, Naturally Occurring Retirement Communities (NORCs), and case management. As DFTA prepares these concept papers, the agency must conduct a robust community engagement process with providers and advocates to ensure that any programmatic changes are reflective of needs, including service delivery in a post-COVID-19 world. Much like home delivered meals, these procurements must remain on hold until after the pandemic subsides.

DYCD

The most drastic cuts made in Mayor de Blasio's FY 2021 Budget are to DYCD. The Executive Budget proposes the entire elimination of summer programs including COMPASS/SONYC, Beacon, Cornerstone and the Summer Youth Employment Program. These cuts will deprive youth of the opportunity to connect with peers and caring adults over this summer—a summer where youth are acutely vulnerable to learning loss because they have not been in school in-person for the entire spring. These budget cuts will also leave parents who are reentering the workforce as the City's economy slowly reopens with no childcare options.

Elimination of Summer Program

The cuts also threaten the infrastructure of the community based organizations who serve youth and their families. The FY 2021 Executive Budget not only cuts the crucial programs operated during the summer but it also prohibits providers from using their reduced budgets to retain staff in order to prepare for reopening.

The impact of these cuts on the organizations that execute DYCD contracts will persist after the summer is over. As we speak, youth services workers are receiving layoff and furlough notices. Youth services providers across the city have spent years building an infrastructure for effective youth services programs. This includes year-round, full-time staff such as multi-site supervisors and site directors who are deeply versed in the principles of Positive Youth Development, as well as other fixed costs. If providers are unable to pay year-round staff for July and August, the youth development workforce and youth development field will detrimentally change.

Staffing for youth services programs typically takes place months in advance. This allows providers to hire and train staff, prepare activities, enroll children and secure space. Social distancing requirements necessitate programmatic changes which staff at all levels need to be trained on. However, if these cuts are not reversed, providers will not have the opportunity to prepare for programs to reopen.

Youth Services during the COVID-19 Crisis

New York City's youth service providers have adapted quickly in the face of devastating circumstances brought about by the COVID-19 pandemic. Within days, programs such as COMPASS/SONYC and Beacon and Cornerstone Community Centers pivoted from in-person programming to remote, virtual engagement for youth and their families, while also supplementing local food distribution for families. Community-based organizations (CBOs) are currently offering online tutoring support, art and recreation programming, as well as behavioral health care and additional supports to youth and families through grab-and-go meal provision and grocery delivery for many households.

Yet, the contracts they work under do not always reflect the changes that have happened or the changes that may need to happen for programs to reopen with programmatic or fiscal modifications in order to conduct safe, socially distant in-person programs.

DYCD must enter into a collaborative process with its providers to amend budgets and worksopes to reflect changes in practice, including:

- Adjusting enrollment and rate of participation expectations due to the need for indoor gatherings to be smaller;
- Amending budgets to reflect COVID-19 related costs including increased cost of liability insurance, cleaning supplies and having individualized supplies for children in order to maintain social distance;
- Adjusting per-child costs to reflect fewer children in each setting; and

- Adjusting hours to allow cohorts for part-day in person programs.

Next Steps

UNH urges the de Blasio administration to immediately restore funding for COMPASS/SONYC, Beacon, Cornerstone and SYEP. Sixteen days ago, the Mayor made a commitment to shift funding from NYPD to youth and social services. Yet no action has been taken even though the Mayor is empowered to restore funding through a revision of the Executive Budget as he did for SONYC summer programs in 2015.

Furthermore, UNH urges DYCD to work collaboratively with providers to adjust workscopes and budgets to reflect the new realities of providing service during this crisis.

Thank you for the opportunity to testify. For any follow up, please contact Tara Klein at tklein@unhny.org.