

5 Ideas

for Bolstering the Human Services Sector

New Yorkers from all walks of life rely on the human services sector to thrive. Despite counting on nonprofits to run early childhood education, youth development programs, services for older adults and immigrants, and more, New York City has failed to be a good partner to this vital sector. To stabilize human services and ensure New Yorkers have the programming they need, policymakers can:



1

Register contracts on time and create procurement process timeframes

Currently, there are no set timeframes for the majority of New York City's procurement processes. As a consequence, it takes so long to register many human service contracts that providers end up delivering programs before the contract is finalized to prevent people from going without vital services.

- **Add timeframes throughout the City's procurement process** – from concept paper through contract registration – to create accountability and ensure nonprofits are paid on time
- **Publicly report on adherence to timeframes** so that delays can be caught and addressed quickly

2

Pay on time (and pay interest if the City is late)

Paying nonprofits on time should be non-negotiable. No other sector would be asked to wait years for reimbursement on incurred costs. Nonprofits often have to draw down lines of credit and accrue interest while they wait to get paid, which means they effectively give the City interest-free loans.

- **Pay providers on time and in full** for their important work
- **Pay interest on late payments** to counterbalance providers' additional expenses

3

Provide regular COLAs and build towards salary parity

Cost of Living Adjustments (COLAs) are important to ensure contracts – and worker salaries – keep up with inflation. However, human service contracts are severely underfunded, meaning COLAs have a limited impact. Plainly, we cannot “COLA” our way out of this problem. New York City needs to invest in higher wages for contracted human service workers.

- **Make annual COLAs automatic** to retain staff and attract a more robust pool of potential employees
- **Publicly commit to a pathway to parity** between human services and City workers doing the same work

4 Pay what it costs to deliver high-quality programs

Reimbursement rates for many human service programs are so low that providers often end up losing money the more people they serve. This problem is exacerbated by the City's tendency to extend contracts for years and sometimes decades without increasing budgets.

- **Raise contract rates for human service programs** to ensure that the programs are high-quality and best meet the existing need
- **Implement automatic annual cost inflators** to ensure rates rise when contracts are extended
- **Develop model budgets for human service programs** in partnership with providers to see where additional investment is needed

5 Use multiple data sources to identify need

With so much diversity between New York City's neighborhoods, it can be challenging to determine how to distribute limited resources. However, when City agencies use narrow criteria to create and site social services programs, neighborhoods with hidden needs can lose out.¹ "Pockets of poverty" exist throughout the five boroughs – particularly where public housing developments are not represented in community-level data due to adjacent high-income, gentrified neighborhoods.

- **Instruct agencies to work with the Department of City Planning**, which has multiple kinds of datasets available, to understand the needs of a neighborhood before creating program parameters
- **Never bar nonprofits from applying in procurements based on geography** as they may be able to make a compelling case for hyper-local needs

1. For example, in 2020, when the Department of Education re-bid its Birth to Five child care system, several providers working in NYCHA developments were not awarded enough funds to continue their work. These developments were located in gentrifying neighborhoods, where median incomes obscured the lower incomes of NYCHA residents. In 2024, when DYCD re-bid its Adult Literacy Programs, they identified several Neighborhood Tabulation Areas (NTAs) where they determined there were low rates of literacy. NTAs did not account for shelters that housed asylum seekers, and the narrow geographical focus ignored the fact that adults will often travel for educational services, especially if they are near places of employment.