



**Testimony to the NYC Council Committee on Contracts
Submitted by the Supportive Housing Network of NY
Tuesday, June 4, 2024**

Hello Chair and members of the Council. Thank you for the opportunity to testify today. My name is Pascale Leone, and I am the Executive Director of the Supportive Housing Network of NY, a membership organization representing nonprofit developers and operators of supportive housing.

I would like to thank the Council for your tremendous support this fiscal year from rolling back PEGS to implementing a 3-year COLA. And, notably, for supporting our NYC 15/15 reallocation plan. But, today, I want to highlight the impacts of late contract payments and the challenges with PASSPort system implementation.

As you know, despite the essential services provided, the nonprofits we represent wait years for reimbursement from the city. This forces them to take out costly loans to cover salaries and other expenses, diverting funds away from direct services. While we support Intro 0514, which would require interest to be paid on late payments to nonprofits, as a first positive step, more needs to be done.

Not only should interest be paid on late payments, the city needs to enforce a standardized and low-barrier contract advance solution that allows providers to claim up to 75% of their budgets while awaiting payments. Currently, there is no uniformity in contract advances between agencies which causes confusion and inconsistency.

Our nonprofits need a clear and transparent approval process. We support Intro 0508, calling for greater transparency and accountability, by requiring reporting and interest payments, and we believe there are some improvements that can be made to PASSPort that would enhance transparency. We have a longer list of recommendations that will be submitted as written testimony, but I would like to highlight the following:

- Create a visual dashboard for invoice and budget modification status, and provide detailed documentation for each approval stage;
- Standardize data entry requirements, auto-populate data fields, and reduce data redundancies for larger contracts, and;
- Integrate a live chat support feature for immediate assistance.

The Indirect Cost Rate initiative is also failing. Outdated ICRs are being used, new rates are not included in budgets, and a host of other challenges that cause delays. We support a methodology that would create a minimum 20% ICR reimbursement, as Intro 0243 represents, but the procedural challenges need to be addressed. The reality is that MOCS is being asked to do more, without the resources and expertise needed. But that lack has tangible effects on people's lives. When a member reports to us that 22% of their overall budget is pending reimbursement and lacking sufficient overhead, we worry about the impact on tenants and staff and their right to live in habitable conditions with appropriate and timely support.

We appreciate your support and look forward to collaborating. I am happy to take any questions.