

**Human Services Council
Comptroller Candidate Questionnaire 2009**

Human Services Sector's Relationship with Government

1. Human service procurements tend to have relatively long cycle times. It is common that concept reports, the issuance of RFPs, and contract registrations all occur in different years. Frequently, these contracts are required to begin as many as 8 to 10 months prior to receiving payment. In the meantime, not-for-profit human service providers must balance scarce resources so that they can continue to pay costs for staff salaries and program locations all while continuing to effectively serve the needs of their clients. Given the duration of the contracting process for not-for-profit human service providers, it is particularly critical for these providers to monitor the status of their pending contracts. The current comptroller has implemented a new database that we expect to be a helpful tool in monitoring contracts once they are submitted to the Comptroller's Office for registration. The process prior to registration is not managed by the City Comptroller, but as Comptroller, you can suggest promulgating rules that effect the reliable monitoring of contracts prior to registration? Is this a role you intend to play? If so, what specific changes would you recommend? If this is not a role you intend to play, what alternatives would you suggest to ensure that contracts are reliably monitored prior to registration?

MENDOLA

If elected, I would like to add transparency to the process by establishing a continuously updated public data base that can advise any interested party about the status of any pending City contract. To make the system user friendly, we will assign an overall number to each contact which will give an immediate indication of where the contract stands in the process. **One** would mean documents have been filed but not yet reviewed. **Two** would mean documents have been filed and reviewed and missing information has been identified. **Three** would mean documents have been filed and reviewed with a determination made that the file is complete and a decision is pending. **Four** would mean a decision has been made and **five** would mean that a negative decision was made and an appeal is underway or available to be taken.

2. The City uses the Vendor Information Exchange System (VENDEX) database to help with decisions regarding a provider's responsibility. The database contains information from detailed VENDEX questionnaires, as well as other information about related entities, performance history, tax status, contract history, and business integrity issues. The information requested by the VENDEX questionnaires, however, is nearly the same as the information required by the new Federal Form 990. The information requested by the VENDEX questionnaires is also virtually identical to the State's on-line Vendor Responsibility Questionnaire. Compliance with VENDEX, especially for not-for-profits with limited resources, has become an unnecessary administrative burden that consumes valuable staff time that would be better applied to serving the complex needs of clients. To the extent that a not-for-profit provider has a current Form 990 accessible or already filed a State Vendor Responsibility Questionnaire, would you, as Comptroller, be willing to support a change to existing policy and/or the VENDEX statute exempting not-for-profit providers from the requirement to complete a VENDEX questionnaire? If not, what alternatives would you suggest to eliminate this duplicative and time-consuming burden?

MENDOLA

The goal of my tenure as Comptroller will be to eliminate waste, avoid redundancy and impose private enterprise efficiencies on the way the Comptroller's Office is managed. As such, under the circumstances set forth above, I would do away with the need to complete the VENDEX questionnaire.

3. Measuring client outcomes is essential to understanding the efficacy of service delivery. Not-for-profits regularly review the treatment plans and progress of their clients to learn best practices and ensure success for those struggling with very serious issues like homelessness, addiction, mental illness, unemployment, and child neglect. While the performance of service providers must be measured, sometimes the goals, such as reducing the length of stay, are not in the best interest of the client. Goals must also be risk adjusted for the clients served. As Comptroller, would you use your audit function to make sure City agencies are consulting the human services sector to ensure all performance measures and incentives are fair and appropriate? As Comptroller, would you use your audit function to examine City agency practices to make sure all performance measures and incentives promote the best outcomes for clients? As Comptroller, would you

support rewarding better performing providers? For example, would you support a policy that allows for the automatic renewal of a contract for the best performing providers? (This way, at least a few providers would not have to go through the contract process again.)

MENDOLA

In delivering services to those most in need, we must evaluate success solely in terms of the needs of the service recipients. If services are delivered successfully, that should allow for automatic contract renewals. To determine success, we must look at and measure all factors. Formulistic approaches should be avoided and instead we must adopt policies which encompass compassion and empathy toward those most in need.

4. Retroactivity continues to cause cash flow and continuity of services problems for not-for-profit human service providers. A contract is considered "retroactive" when its start date occurs before the contract is registered by the Comptroller. To encourage the speedier processing of contracts, several years ago City procurement rules established standards and sanctions for late contract processing (PPB Rule 4-12). To date, the interest penalties associated with this rule have not been invoked. If elected, would you consider revising the applicable Procurement Policy Board rules to expand the circumstances to apply interest penalties? If so, under what circumstances would you propose expanding the application of interest and if not why?

MENDOLA

Penalties should be imposed when a service provider can demonstrate hardship as a result of flaws in the procurement process.

5. Late contract processing and late contract payments are distinct issues. PPB Rule 4-12 attempts to address late contract processing. Late contract payments are addressed by the City Charter and separate sections of the PPB rules. A City agency is obligated to pay interest to a contractor if its bill is not paid timely. The City measures its success at timely payment by reviewing the amount of interest each City agency is obligated to pay as a result of late-paid invoices. Each year, for at least ten years, the City has paid such interest mainly to non-human service providers. As Comptroller, would you consider using your audit function to exam-

ine why more interest payments are not made to human service providers for late-paid invoices?

MENDOLA

Yes, we must ensure the process is fair and not biased.

Funding Issues

6. Not-for-profits are generally a good public investment as they stretch scarce public dollars by combining them with philanthropic resources; the current economic climate however, has reduced the availability of private resources substantially. A recent survey of New York City not-for-profit human service executive directors found that 80 percent of respondents experienced a decrease in private funding sources over the last year and 65 percent have seen a reduction in public funding. At the same time most report that the number of people in need and the number of issues faced by each client are growing. During this time of great economic distress, what steps will you take, as Comptroller, to ensure the social services safety net remains intact and is able to meet increasing service demands?

MENDOLA

The most effective tool at the Comptroller's disposal to ensure adequate City funds exist to maintain necessary safety nets is to manage the City's public pension in such a way as to minimize taxpayer bailouts. Since 2001, the City's contribution to these pensions has increased 813%! If managed correctly, these pensions would not require the massive taxpayer contributions that they currently do. This would free up taxpayer funds for necessary expenditures such as ensuring a viable safety net for those in need.

7. Having access to credit is critical to the day to day operation of many not-for-profits given late payments on government contracts and limited or no financial reserves. As a major borrower, the City has substantial leverage with the banking industry. As Comptroller, will you consider leveraging this borrowing power and this relationship to encourage banks to help not-for-profits obtain access to credit? Would you also support the incentivizing of lending to not-for-profits through your role in the City's Community Reinvestment Process and as a member of the Banking Commission by including loans to not-for-profits among the criteria used to evaluate banks?

MENDOLA

Yes.

8. Responsible service delivery starts with an annual assessment of a service plan and the costs associated with it to ensure availability and continuity in the programs clients depend on. Over the last few years this continuity has been threatened as rapidly rising administrative costs eat away at the funds available for service provision. The new MTA payroll tax and sharp increases in health insurance premiums are good examples of the types of uncontrollable overhead expenses not-for-profit providers struggle with. To ensure the continuation of the high quality services needed to produce positive outcomes for clients, the City must begin to adjust payment rates to match the real cost of providing services and allow for the application of a higher percentage of payments toward administrative expenses. As Comptroller, will you support and promote policies that allow for the payment of an adequate and fair administrative rate to not-for-profit agencies under contract with the City to provide social services to needy New Yorkers? If so, how would you accomplish this?

MENDOLA

As Comptroller, I will oppose the MTA payroll tax and all other taxes and fees which unfairly burden not only the not-for-profits but also thousands of small business throughout the City. As stated above, I will see to it that City funds are managed responsibly and in a non-political fashion so that our expenditures meet the needs of our citizens in an efficient and accountable manner.

9. Community based social service programs not only constitute a much less expensive approach to service provision compared to institutionalized care settings, but often produce better outcomes for clients. In addition, these programs act as economic engines in local communities where they provide jobs and purchase goods and services. The list of ways community based programs contribute to the economic well-being of our communities is long and includes: helping people become employed, thereby reducing public assistance costs and increasing tax receipts; supporting people's efforts to live independently, thereby reducing public health care costs and limiting needless burdens on an already overwhelmed health care system; educating and training individuals, thereby assisting in the formation of a skilled workforce to ensure future economic stability and growth; providing after-school services to youth, thereby contributing to reductions in juvenile crime, teen pregnancy, and detention costs; and delivering effective and safe

family support services, thereby reducing out-of-home child welfare costs, and limiting the occurrence of abuse and/or neglect. As Comptroller, would you commit to an audit that compares the financial and qualitative benefits of community based services over institutionalized care? If such an audit reveals that under appropriate circumstances, there are significant benefits to be achieved from community based human service programs, what will you do as Comptroller to encourage City agencies to use such community based service programs over institutionalized care?

MENDOLA

I believe that such an audit would be most beneficial. In general, I am a firm believer in community based services and much prefer this method of service delivery over institutionalized care. More important than the financial savings, community based services also provide a better opportunity to promote a higher quality of life and greater personal dignity for the service recipients.

10. The City, through its HHS-Connect initiative and the expansion of its 311 System, attempt to use technological advances to improve access to services and information sharing. As Comptroller, the Charter grants you the authority to audit the adoption and use of new technology and its economy and efficiency. As Comptroller, will you use this audit function to ensure that the City incorporates the perspective of the not-for-profit sector as these efforts and other such technological efforts are further developed and rolled out? As Comptroller, will you commit to using this audit function to ensure that not-for-profits are not burdened by efforts to incorporate them into HHS Connect, the expansion of 311, or such other technological efforts?

MENDOLA

Yes.

Human Service Staff Development

11. Workers in the not-for-profit social services field are serving fragile populations and work daily with individuals and families overwhelmed by feelings of defeat and abandonment. Building trust with clients takes time and a client's progress can quickly unravel with the change of a caseworker. Because those being

served have often experienced a lifetime of instability, staff continuity in this field is critically important. Yet, staff turnover can be fairly high in the not-for-profit social services world. Most believe the lack of career ladders and inadequate pay combined with high caseloads are responsible for the recruitment and retention challenges of this sector. As Comptroller, what steps will you take to help the sector attract and keep a highly qualified workforce so that the fragile populations served benefit from continuity and receive high quality services?

MENDOLA

We should offer incentives to encourage long term commitments. Such incentives could include a form of tenure system for those who have shown a dedication and commitment to assisting our fragile population.

12. The gravity of the work performed by those in the not-for-profit social services field is profound. These workers are responsible for keeping victims of domestic violence safe, providing homebound seniors with daily meals, protecting children from abuse and neglect, finding permanent housing for homeless individuals and families, putting former substance abusers on a path to a new life, and teaching new mothers how to care for their babies. Despite the fact that this work is highly stressful and wrought with challenges, many find it personally rewarding. But because salaries are low and often go unadjusted, staff frequently leave for jobs in other sectors that pay more. It is clear that employers in this field want to reward their staff with regular raises, but struggle to provide salary enhancements because of their reliance on government contracts that are irregularly adjusted. Furthermore, when cost-of-living-adjustments (COLAs) to City contracts are provided, the ridged terms of their provision create obstacles that prevent the payment of an equitable base rate to similarly skilled and performing staff and prevents the distribution of raises to the not-for-profit's entire workforce. As Comptroller, will you support a policy that demands the regular provision of COLAs to this important workforce and remove obstacles that hinder not-for-profit entities from fairly distributing the COLA to their employees? Please explain.

MENDOLA

Yes. This ties into the above question. If we are to attract and retain a viable workforce of dedicated professionals, we must treat them with respect and consideration and com-

pensate them in a manner that allows them to live a decent and dignified life in NYC, one of the most expensive places in the world to live.