

SUPPORT CENTER FOR NONPROFIT MANAGEMENT

CONSULTING ■ TRANSITION MANAGEMENT ■ TRAINING
for nonprofit & philanthropic organizations

Honorable Letitia James
Chair, Committee on Contracts
New York City Council
250 Broadway, 18th Floor
New York, NY 10007

Re: November 26, 2008 Oversight Hearing on the
Mayor's Office of Contract Services' Capacity Building and Oversight Unit

Dear Council Member James:

Thank you for the opportunity to provide testimony on behalf of the Support Center for Nonprofit Management, its Board of Directors, our supporters and staff, and the more than 1,500 nonprofit organizations and 3,000 nonprofit leaders and managers we serve each year. The Support Center is dedicated to supporting nonprofit leaders and their organizations from throughout New York City and we are particularly dedicated to small and mid-sized organizations that provide essential human services in our City.

We appreciate the recent efforts by the Mayor's Office of Contract Services (MOCS) to provide technical assistance and support to our sector and applaud the creation of the Capacity Building and Oversight Division (CBO). The City holds an important responsibility to assist New York City's nonprofit partners - organizations that provide essential services to communities through contracts with the City. CBO helps dedicated nonprofit directors and executives understand, implement, maintain, and strengthen effective governance, internal controls, and financial oversight. CBO's commitment to provide training to nonprofits to strengthen board governance, financial management, legal compliance, and contract management is commendable.

The current economic crisis and the resulting budget cuts make investment in technical assistance for nonprofit leaders more important than ever. Although some nonprofit organizations will need to restructure and some may be considering merger, consolidation, or closure, the people they serve can not be abandoned. Nonprofits provide an essential safety net for the most vulnerable in our communities who are at risk during these difficult times.

For example, hundreds of community centers are operated and managed by nonprofit organizations. DYCD funds many of the Out-Of-School Time, After-School programs and Out-Of-School Youth programs in the City and nonprofits are most often the partners making these essential programs work. Thousands of working parents rely on these programs to keep their children safe and secure while they are out making a living for their families and contributing to our economy. More than 80,000 children and

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young people participate in these programs! Do we really want the nonprofits that provide these safe, secure, supervised environments that families count on to fail?

In New York City - still one of the richest cities in the world - food poverty and food insecurity abound. According to the Food Bank for New York City, throughout the five boroughs, approximately 1.3 million people — largely comprised of women, children, seniors, the working poor and people with disabilities — rely on soup kitchens and food pantries - (*yes, that's 1.3 MILLION*). In addition, 3.1 million New Yorkers experienced difficulty affording food for themselves and their families in 2007, up 55 percent from two million in 2003.

More than 1.5 million New York City residents live below the federal poverty level. More than three quarters of New York City residents accessing soup kitchens and food pantries have annual incomes below the federal poverty level (approximately \$16,000 for a family of three). Quality of life for these citizens is supported and nurtured by the nonprofit sector.

The current economic crisis threatens our nonprofit sector, but more critically, it increases risks to the health and vitality of our communities, families, and most vulnerable citizens. As a result of long-term lack of investment in nonprofit capacity, dedicated providers lack the ability to build a strong infrastructure and are finding it increasingly difficult to sustain their efforts.

Our experience with the leaders and staff at the Mayor's Office of Contracts and the new CBO has been very positive. More investment is needed to help boards and CEOs of nonprofits navigate these difficult times and we recommend expanded investment in CBO at this time. The Support Center stands ready to partner with CBO for the betterment of the great people of New York City.

Thank you for the opportunity to submit this written testimony.

Sincerely,

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