

NEW YORK CITY NONPROFIT EXECUTIVE OUTLOOK SURVEY

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HUMAN SERVICES COUNCIL OF NEW YORK CITY
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PROVIDING SERVICES; MEASURING PERFORMANCE:

HUMAN SERVICES
EXECUTIVES EXPECT TO BE
ACCOUNTABLE FOR CONTRACTS,
BUT SEEK A BETTER PROCESS

INTRODUCTION

The School of Public Affairs at Baruch College is publishing this third annual Nonprofit Executive Outlook Survey, which presents the views of executive directors of human services organizations in New York. As in the previous online surveys conducted in 2005 and 2006, we are reporting what more than 100 nonprofit service organization leaders think about overall conditions in New York City, how particular groups in need of assistance are faring, and how public policies and operating issues affect the performance of the nonprofit services sector. In particular, we asked about Governor Spitzer's attention to human services issues, Mayor Bloomberg's plan for New York City in 2030, and government agencies' use of performance measures in contracts with human services organizations.

Requiring performance measurement and reporting in government contracting, especially for New York City's human services contracts, was an issue of great interest and concern to the responding executive directors—as indicated both by their answers to survey questions and by the individual statements that many of them made when given the opportunity to comment within the survey instrument. The quantitative results, which are detailed below in figures eight and nine, show a decidedly ambiguous attitude toward performance contracting.

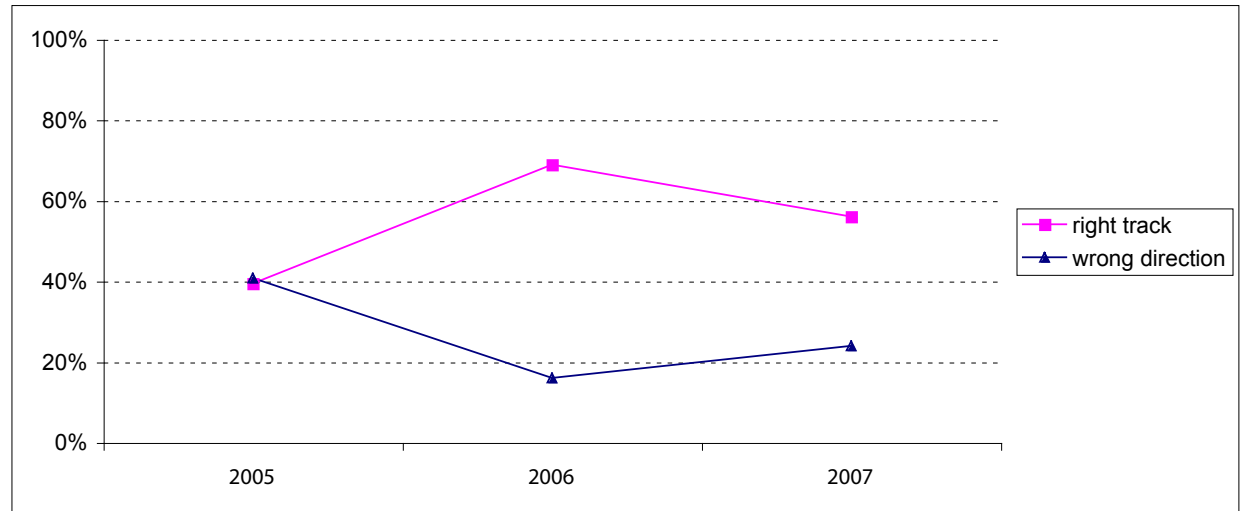
The majority of these executive directors think that performance-based contracts are a good idea for the human services sector as a whole and for their own organizations. However, they think that the process burdens their organizations administratively and does not reward good performance. One responder commented, “Overall it's a good concept, but implementation is inconsistent, at times unreasonable, burdensome and usually of no practical benefit to the agency or clients.” Another said, “It is generally unfairly structured, offering punishments and no rewards and frequently tied to unrealistic expectations/requirements.” And finally, “It's coming no matter what...it is very important for the city to work with the nonprofit sector to create an effective and non-punitive system.”

The survey was conducted online in March and April 2007, in cooperation with United Neighborhood Houses of New York, Federation of Protestant Welfare Agencies, Human Services Council of New York City, and UJA Federation of New York. The survey also went to executive directors of member agencies of Catholic Charities of the Archdiocese of New York and of the Diocese of Brooklyn and Queens, Hispanic Federation, Black Agency Executives, Black Equity Alliance, and Asian American Federation of New York.

CONDITIONS IN NEW YORK CITY

Executive directors are overall feeling positively about the city—less enthusiastically compared to last year but still appreciably more so than the first survey conducted in 2005. In 2007, 56% of executive directors polled think that things in New York City are generally headed in the right direction, compared with 69% in 2006 and 39% in 2005. (Fig. 1)

Figure 1. All in all, do you think that things in New York City are generally headed in the right direction or do you feel that things are off on the wrong track?



Similarly, with regard to social problems in the City, fewer (37%) think things are getting better in 2007 than did in 2006, but they are still more positive than in 2005, when just 18% felt that way. A slight majority of these executive directors (52%) remain optimistic about future social conditions—about the same as last year and, once again, substantially more than in 2005 (29%). (Fig. 2 & 3)

Figure 2. In your view are the social problems facing New York City these days . . .

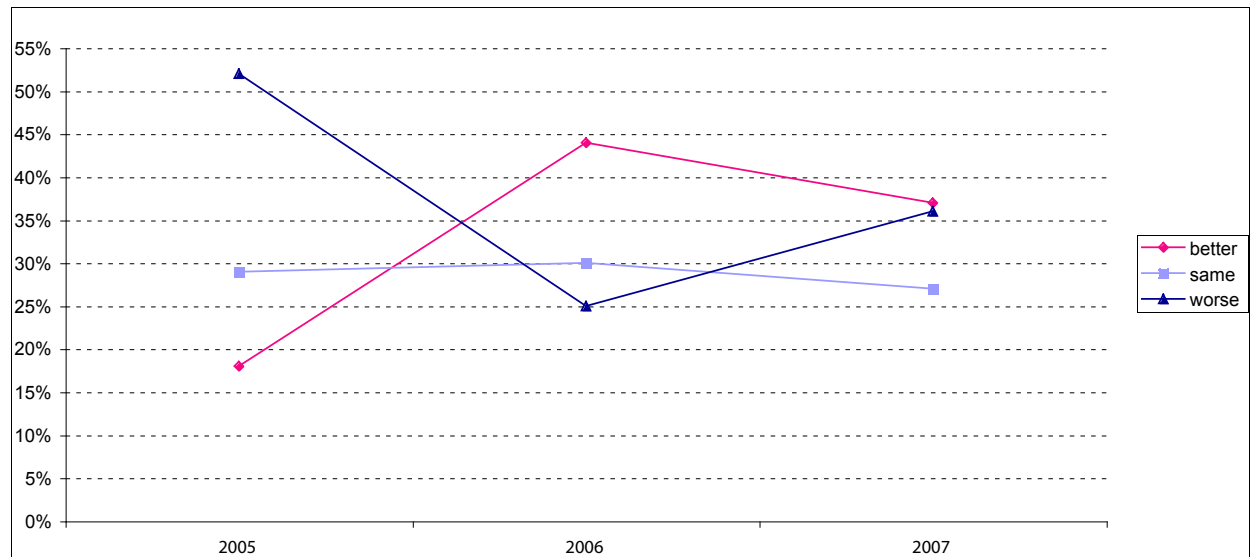
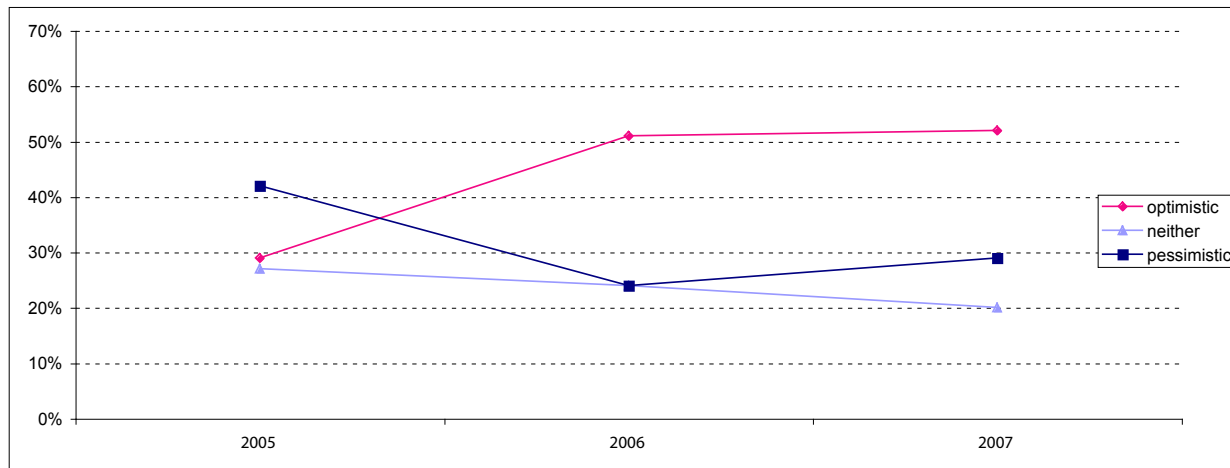
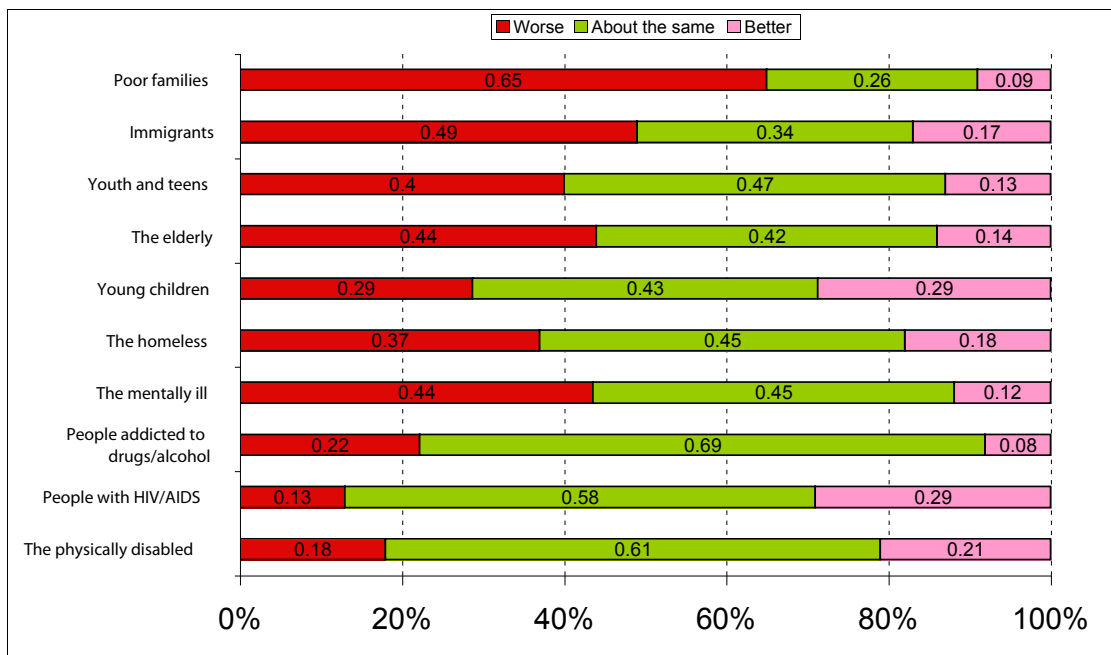


Figure 3. Looking ahead a few years are you optimistic or pessimistic about future social conditions in New York City?



As in the past, poor families and immigrants are the groups that responders think are faring the worst, along with the elderly, and mentally ill. Responders are feeling more positive about things for people with HIV/AIDS, substance abusers, and young children compared to last year. (Fig. 4)

Figure 4. In New York City these days do you think things are generally getting better or worse for . . .



GOVERNMENT POLICIES

These executive directors continue to strongly disapprove of the social policies and programs of the federal government. They are feeling less negative about the state, while the city gets most positive response at 42% approval. (Fig. 5)

Views of the Governor's attention to human services are mixed. A slight majority (51%) see him giving these services a fair (47%) or a great deal (4%) of attention, while the other half are unsure or more negative. (Fig. 6)

Figure 5. Do you generally approve, or disapprove, of the current social policy and programs of the federal, State and City government?

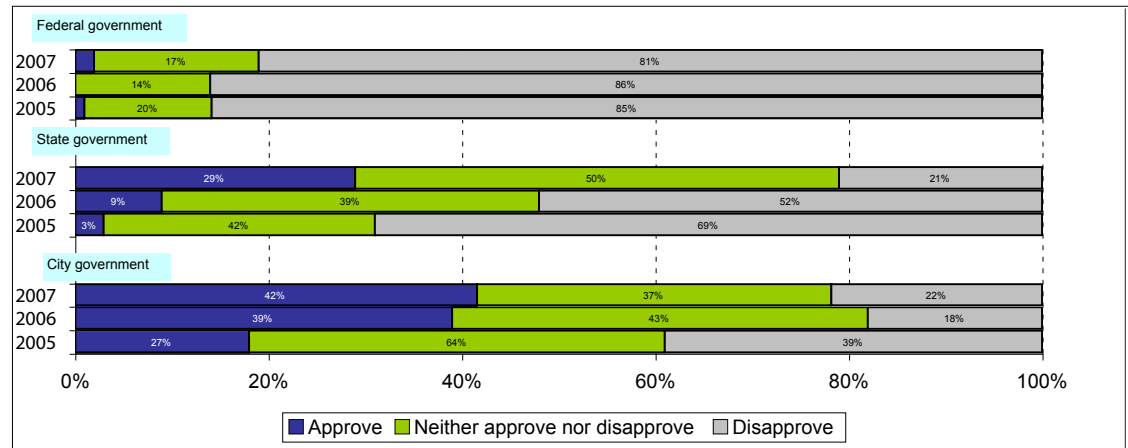
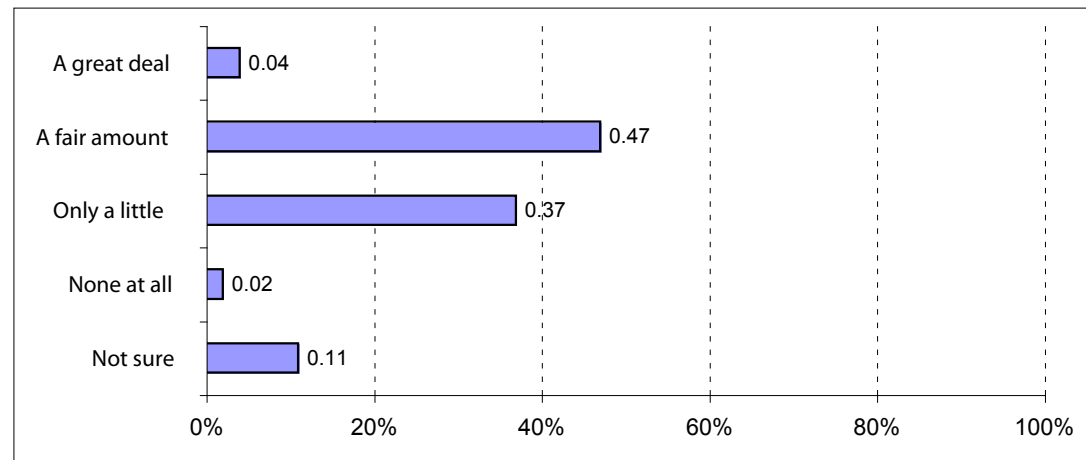


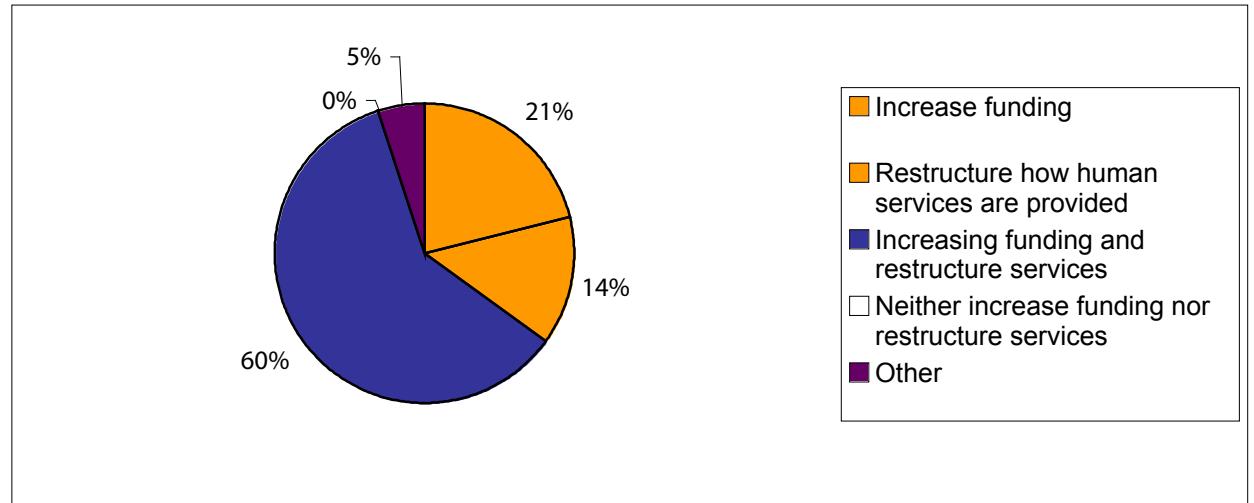
Figure 6. Generally speaking, how much attention would you say Governor Spitzer has given to human services?



Executive directors support a multi-pronged approach to human services in the state: 60% think the State should increase funding and restructure services. (Fig. 7)

In their view, the Governor should give the highest priority to education (70%), affordable housing (68%), Medicaid (57%), and child welfare (56%).

Figure 7. In general, thinking about human services in the state, do you think Governor Spitzer should...



PERFORMANCE CONTRACTING

In contracting for human services, city departments are requiring performance indicators to be reported either as the basis for making payments to provider agencies and/or as standards for performance. Executive directors express support for the overall idea of performance-based contracting for both the human services sector as a whole (56% good idea) and for their own organization (60%). Overall, they judge the performance measures that are required in the services they provide as at least somewhat appropriate (64%) or appropriate (14%), with 13% stating that the measures are not at all appropriate. (Fig. 8)

Figure 8. For the human services sector as a whole [for your organization itself], do you think that performance-based contracting is in general...

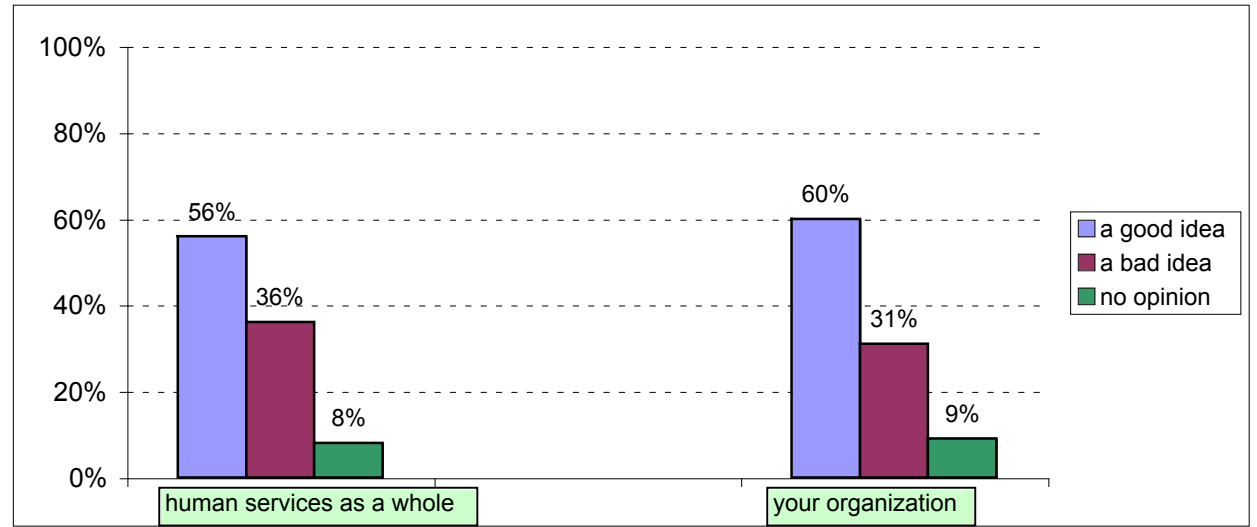
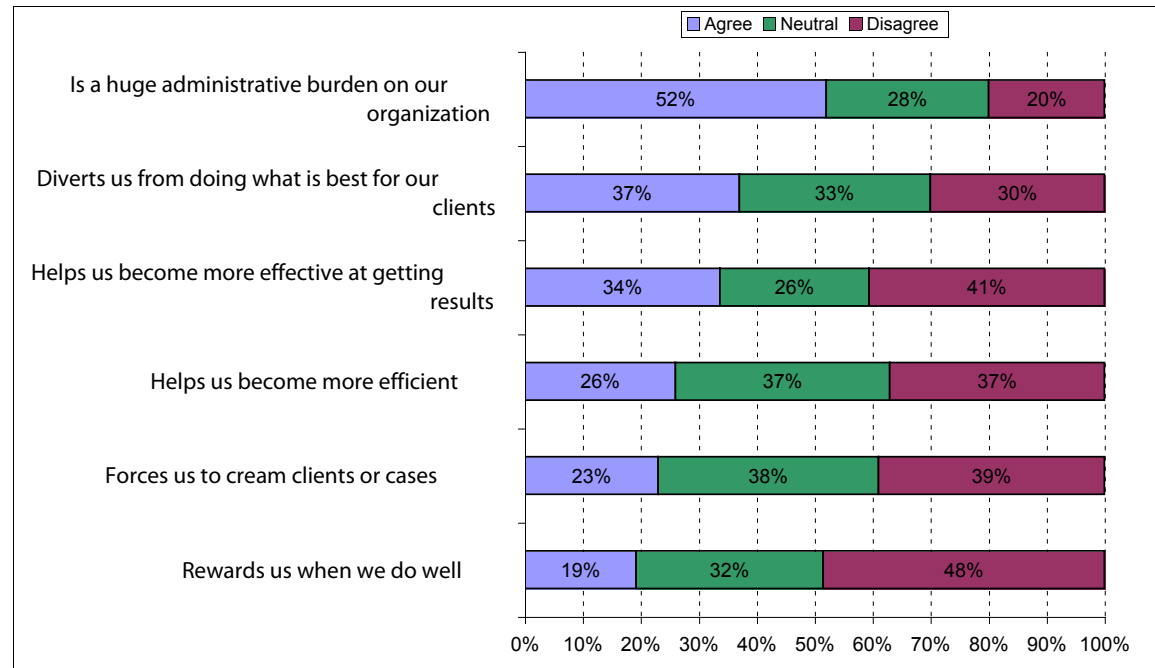


Figure 9. Now, please indicate the extent to which you, speaking for your organization, agree or disagree with the following statements about performance-based contracting. Performance-based contracting ...

However, when we look across specific beliefs and arguments related to performance-based contracting we see more ambiguity, uncertainty and less intense support for key arguments such as increased efficiency and effectiveness. As the open end responses also demonstrate, 52% of executive directors feel a large administrative burden from these measures. Nearly three-quarters either are unsure (37%) or do not agree (37%) that these measures help make them more efficient. In particular, eighty percent of these directors do not think (48%) or are unsure (32%) that such measurement “rewards us when we do well.” (Fig. 9)



Among the many specific comments and views about the burdensome nature, capacity to manage, and other aspects of performance contracting are the following:

“Achieving effective measures is tricky, especially outcomes, as opposed to service levels.”

“As done, they appear to penalize agencies; performance based to for-profits work totally different[ly]; rewards.”

“Performance-based contracting could be useful if baseline awards were sufficient to cover costs of providing services, leaving high performance awards for enhancements and deficiency penalties for decreases in contracts during the following year. Current models result in unacceptable levels of risk to cbos [community based organizations], including potential bankruptcy.”

“...It usually does not support needed infrastructure, and performance-based contracts do not pay for the additional costs involved in administering them.”

“I think this is a slippery slope when you consider that no branch of government has shown itself willing to fund costs to infrastructure to meet stringent performance measures and so smaller or grassroots organizations with proven effectiveness are left at a serious disadvantage.”

“Biggest problem is related to cash flow problems created by performance base portion of contract and time delay enforced by performance target dates long past contract period. Agencies have to have resources to cover cash flow until they get paid, which can be as long as 18-24 months.”

“It all depends upon how it’s done -- as a management tool or bogged down with mindless bureaucratic bean-counting.”

“There has to be some allowances for small non profits who [which] do not have extra money to operate their agencies.”

“Performance based contracting is most useful when considered within a broader context. If used as the only measure, it does not tell the whole story. There needs to be qualitative measures to compliment the quantitative measures of performance.”

It would seem from these comments that there is both need and opportunity for dialog between government agencies and their nonprofit contractors about the nature and impact of performance measures that are made part of the public procurement process for human services.

MAYOR'S PLAN FOR THE YEAR 2030

Finally, the question was asked whether these agency heads had heard about Mayor Bloomberg's plan for accommodating expected population growth of more than one million by the year 2030. Although 63% were aware of Mayor Bloomberg's plan for the year 2030, more than one-third of the respondents were not—at least at the time of the survey, which came after its initial release. A number of these executives had specific comments about how the plan affected human services:

"There is nothing in the plan that speaks to the facilities necessary to meet human service needs, like services and care for older adults and child care."

"The city will need to find ways to help lower costs for CBOs [community based organizations] to meet future needs such as increased energy efficiency to lower utility bills, negotiate with the State for lower cost healthcare as well as team with non-profit leaders for long term vision planning of future needs."

"Sufficient money for infrastructure to accommodate expansion of services."

"Staffing will be our biggest problem. We have to change the nature of human services jobs to be more attractive or we will not meet increased demand."

"Links need to be established with the improvements in the environment to opportunities for training and employment of those currently receiving assistance. Sustainability needs to be considered as a people issue as well as the physical solutions."

"I have not seen a human services component of the plan, obviously there needs to be a vigorous one."

"Ensure that the human services sector is represented at the planning table in order to anticipate and adequately plan and fund services for the newest New Yorkers."

Clearly, there is a need for greater attention and involvement of human services leaders and issues in the planning underway for the city's long-term future than there has been to date.

DESCRIPTION OF SURVEY RESPONDERS

Approximately 100 nonprofit organization leaders completed the survey, of whom nearly 90% were executive directors, presidents, or CEOs of their organizations. More than 60% have been in their positions for more than 10 years. Nearly equal numbers are male and female. About 60% of the responders are White, 21% Black, 11% Hispanic, and 6% Asian. The median responding organization serves between 1,000 and 2,000 clients, has a budget of \$2 million to \$5 million dollars, and provides direct services in New York City.

The executive directors responding to the survey belong to many different federations, coalitions, associations, and other umbrella organizations that represent programmatic and population interests within the human services field. They are representative of this broad and important sector of New York City civic and community affairs.