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## Work Group Will Study Social Service Contracts

By Dan Goldberg

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The de Blasio administration has created a work group to study the short-term and long-term problems facing social service providers who have been complaining that city contracts do not cover the cost of doing business.

“Obviously, we have to look at how we [would] fund any solution,” Sandy Rozza, the health department’s budget director, testified Monday before the City Council’s mental health committee, which held hearings on the mayor’s preliminary budget.

City Councilwoman Helen Rosenthal, a Democrat representing Manhattan, said she regularly hears from nonprofit executives who say they are struggling with overhead, that rent has gone up appreciably and that the city doesn’t fully fund them for the social services they provide to the community.

City health commissioner Mary Bassett said the department has to rely on contractors to deliver realistic budgets.

“It would be unfortunate if they were proposing budgets that don’t meet the needs they have,” she said.

While it is true that final budgets are a product of negotiation between the city and the provider, it is also true that the city often seeks out the lowest bidder, giving nonprofits an incentive to undercut one another and undervalue their services.

The Human Services Council, which represents more than 200 nonprofit agencies, has [lobbied](#) the [Council](#) and the [state Legislature](#) for the past several years but no solution has been reached.

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