

## Grant Outcomes Report

### **Supporting Economic Recovery for New York's Nonprofit Health and Human Service Organizations: Merger of the New York City and Southern New York Chapters of the National Multiple Sclerosis Society**

#### **The Problem:**

While every state has been adversely affected by the economic recession that started in 2008, New York was hit especially hard.

A countercyclical relationship exists between the economy and the demand for health and human services. Health and human service providers were under increasing stress due to increased demand for their services coupled with a decrease in resources. Institutional philanthropic support was reduced during that time due to smaller endowments. Foundations that were connected to financial institutions ceased or reduced their funding commitments at the start of the recession. Public funding and private individual giving also declined.

In this turbulent environment, the organizations most likely to succeed are those that can identify and act upon the opportunities that are inherent in a crisis. New circumstances demand new ways of doing things. Diminished resources demand that nonprofit leaders rethink their organizational missions, structures, and practices. Economic strain creates new incentives for organizations to cooperate in generating efficiencies and sharing operating expenses. Organizations can merge or restructure to cut administrative costs, reduce duplication, and reshape and reform their programs based on close alignment with their mission.

To advance these goals, the NYSHealth Board authorized approximately \$2 million to support New York State's nonprofit sector in its response to the economic crisis through the 2009 *Economic Recovery RFP*.

#### KEY INFORMATION:

**GRANTEE**

National Multiple Sclerosis Society,  
New York City Chapter

**GRANT TITLE**

Merger of the New York City  
and Southern New York Chapters  
of the National Multiple  
Sclerosis Society

**DATES**

October 15, 2009–January 12, 2011

**GRANT AMOUNT**

\$97,750

**FUNDING**

2009 Economic Recovery RFP

This grants program was developed to assist vital organizations while facilitating their transition to new and reorganized forms that should be more sustainable over time. The Foundation sought to promote fundamental, lasting changes in organizations that comprise New York's health services system.

To ensure sustained services throughout the region, the National Multiple Sclerosis (MS) Society, New York City (NYC) Chapter was awarded an Economic Recovery grant to defray the cost of merging with the Southern New York (NY) Chapter. The economic downturn particularly affected the Southern NY Chapter of the National MS Society, which serves more than 5,500 people with MS in Westchester, Putnam, Rockland, Orange, and Sullivan Counties. Experiencing investment losses and less productive fundraising efforts, the Southern NY Chapter was operating at a deficit and was expected to continue in this position for the foreseeable future.

## Grant Activities & Outcomes:

The NYC and Southern NY Chapters of the National MS Society officially integrated on October 1, 2009. The decision for these two geographically adjoining chapters to combine had been propelled by the challenging economic climate, which had adversely affected the fundraising capability and operational capacity of the Southern NY Chapter. The union was supported by the Boards of Trustees of both chapters, as well as by the home (national) office of the National MS Society.

The goal of the union was to integrate the administrative and programmatic operations of the two chapters, while at the same time, continuing seamless service delivery to nearly 10,000 people with MS living in the combined service area, as well as more than 47,000 associated family members, caretakers, and employers.

NYSHealth funds were used primarily to support:

- **CONSULTING:** Since the Chapters received a high level of transition/re-staffing support and guidance from their national office—which had recently assisted with similar transitions occurring at other chapters—they did not need to incur the expense of an outside consultant to guide the merger. Thus, the consulting dollars allocated within the grant were used for some unanticipated staffing needs related to the long-term vacancy of the Southern NY Chapter's Chief Financial Officer (CFO) position. This vacancy, along with a vacancy at the time of the CFO position in NYC, required the temporary hiring of a finance professional in the interim to maintain Southern NY's financial records and filings, and to assist with the financial aspects of the unification.

- **UPGRADING TELEPHONE SYSTEMS:** These funds were originally earmarked for the installation of videoconferencing technology at the former Southern NY Chapter administrative office in White Plains (initially a high priority); however, the National MS Society realized early on that it had to deal with the immediate, unanticipated challenge of the incompatible telephone systems between the two administrative offices. Using funding from the grant, the National MS Society integrated the phone systems and implemented video conferencing systems to upgrade communication capabilities.
- **UPDATING COMMUNICATION MATERIALS:** Grant funds supported the re-branding and printing of a variety of educational and promotional materials, including organizational brochures, website, stationery, and event resources.

Even with several unforeseen challenges, and the realization that it will take several years to fully integrate all activities and absorb the deficits from Southern NY operations, the NYC-Southern NY Chapter's capacity to expand vital programs and services throughout its service area has grown as a result of the merger. Employment services and job-seeking assistance, as well as outreach to Spanish-speaking people with MS, were offered in the service area formerly belonging to Southern NY for the first time. In addition, the continuum of care for people with MS was enhanced because they can now receive comprehensive chapter services anywhere within the united territory.

The capacity for a higher degree of financial health for the Chapter has also increased, with the skilled development staff of the Chapter being able to access a formerly underutilized base of supporters. Its expanded donor base and territory in which to hold cultivation events has allowed the Chapter to increase its non-event fundraising over the last year. It is able to promote mass market events to a wider audience and grow its financial and media sponsorship base. Both of the MS Walk events in Putnam and Rockland Counties



experienced significant growth because of the experience of the NYC Chapter staff. The Chapter has instilled a cost containment mindset and greater efficiency to its events, including the golf tournament and the Women on the Move Luncheon.

In addition, the Chapter has gained efficiency with its existing IT and Finance staffing by combining databases and reducing the need for double year-end filings and audits. The new video conferencing capabilities save resources like staff time and travel expenses, while at the same time increasing its programmatic outreach throughout the service area. Programs and services previously only available through one chapter are now available throughout the combined service area, increasing the Chapter's impact.

## The Future:

The NYC-Southern NY Chapter credits the NYSHealth grant with helping it to better address the challenges and take advantage of the opportunities afforded by the decision to become a united chapter, serving the needs of more than 10,000 people with MS in NYC, Westchester, Rockland, Putnam, Orange, and Sullivan Counties. The integrated NYC-Southern NY Chapter will continue to evolve in order to achieve its mission. While it is holding steady with its ongoing programs, services, and events, the Chapter anticipates being able to increase its impact by up scaling the current offerings and introducing new programs and resources to its communities after the economy rebounds.

The NYC-Southern NY Chapter now belongs to the Society's Northeast Region, launched in January 2010, which also includes six other chapters covering New York, New Jersey, Connecticut, and the rest of New England. Staff members from all chapters in a region are organized into work teams by functional area (programs, major gifts, special events, etc.). These teams collaborate on best practices and ways to move the Society's vision forward on a higher level. Outcomes from the workgroups and the regions will be shared Society-wide to strengthen the impact of all chapters in the future.

## BACKGROUND INFORMATION:

### ABOUT THE GRANTEE

Established in 1975, the New York City Chapter of the National Multiple Sclerosis (MS) Society is a nonprofit organization providing comprehensive support services to nearly 7,000 residents of the five boroughs who are living with MS and 45,000 family members. These services include counseling and support groups, medical and social work support at eight MS Care Centers, legal information, transportation assistance, home meal delivery and home health care, medical equipment, and educational programs.

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### GRANT ID #

3254348