Is the Crisis Over?

Rumors of the once-proud GMHC's death may not be greatly exaggerated

August 1, 1999 By Dave Gilden

During the summer of 1997, the Gay Men's Health Crisis consolidated its scattered New York City operations into a single site. The move to an imposing 12-story building was also intended to mark the transition of the country's largest AIDS service organization (ASO) to a more expansive model of care. A new on-site testing center would funnel clients into the agency's many services. Likewise, a symbiosis between a new medical center and the agency would provide more clients for each.

But little of this hoped-for synthesis occurred. The clinic became just another subtenant with little connection to GMHC; worse, the original vision faded as financial problems and staff unrest gradually left the organization on the verge of collapse.

Renovating and moving into the new building cost a whopping $16 million—more than twice as much as projected. Sixteen million invested in a *rented* building? The very idea raised eyebrows as GMHC searched for a bank to lend it $4 million to complete the project.

The move seems to have drained the funding reservoir. Due to the general downturn in support for AIDS groups, private-sector donations have shrunk 14 percent over the past four years. GMHC's famed AIDS Walk New York, which used to bring in $5 million on a single day, raised only $4.2 million this year, and that was considered a great success. Huge fixed costs, including building expenses and loan payments, have created a deficit that now looks irreversible. Even though staff cuts enabled GMHC to run a surplus last year, the agency still has an accumulated debt of $5 million.

Since GMHC's high point of 300 employees in 1997, some 100 staff positions have been slashed. Program expenses are now only one-third of the total budget. The number of clients has shrunk to 6,100—from 9,100 last fall.

Government grants already pay for much of the agency's remaining client services and education program costs, but they do not cover GMHC's high overhead. Since the agency is considering subletting now-empty space to ease the building costs, it may not be possible in the short term to rebuild these operations that could receive new funding.

When the old system can no longer be made to work, it’s time for a radical departure. But GMHC is mired in a leadership crisis. Its management is rudderless: The board of directors cannot find a replacement president. And the new executive director, Joshua Lipsman, who was the public health director in Alexandria, Virginia, has little knowledge of New York City or community-based organizations; nor does he have a history of fighting for community interests. He does know political maneuvering, however. In June, the staff walked out for several hours, but Lipsman temporarily restored trust by shifting blame onto the leaderless board of directors. He also energetically recruited staff to serve on budget committees to advise on the $3 million in cuts that must be enacted in July to keep GMHC solvent and please the banks.

It took two years and a dire emergency for GMHC employees to visibly protest. Instead, those who could, including many department heads (and myself, the editor of *Treatment Issues*), found jobs elsewhere. The staff now has fragmented planning committees with little authority or room to maneuver. Their meetings are largely opportunities for emotional self-defense. Layoffs are the only immediate option, and the staff will find itself pared down, Lipsman’s promises to feel employees’ pain notwithstanding. “We can agree to disagree,” he told the June protesters. That sentiment’s nice, but while the staff can talk all it wants, he alone makes the decisions.

The original vision behind the fateful move was not stupid, but the leadership was bungling and indecisive when problems inevitably arose. GMHC’s upper ranks are populated by people who show no tendency to rock the boat—or even move the tiller slightly. They maneuver in private, while working to keep their mistakes from the public. That itself is a nasty mistake: Community input is precisely what’s needed to renew GMHC’s vision and reinvigorate its fundraising.

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