Department of Social Services
Human Resources Administration
Department of Homeless Services

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Department of Social Services Fiscal Year 2026 Executive Budget Hearing
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Good morning. I want to thank Deputy Speaker Ayala and the members of the General Welfare Committee, as well as Chair Brannan and the members of the Finance Committee for holding today's hearing and for the opportunity to testify about the Department of Social Services' (DSS) Fiscal Year (FY) 2026 Executive Budget.

(Slide 1) My name is Molly Wasow Park, Commissioner of the New York City Department of Social Services. DSS is made up of both the Human Resources Administration (HRA) and the Department of Homeless Services (DHS), so accordingly I am also joined by my colleagues, DHS Administrator Joslyn Carter, and HRA Administrator Scott French, as well as DSS First Deputy Commissioner Jill Berry, and DSS Chief Program, Performance, and Financial Management Officer, Richard Johns. Collectively we represent the approximately 14,000 hardworking staff who dedicate their lives to supporting New Yorkers living at or below the poverty line.

(Slide 2) Today I will provide an overview of the FY26 executive budgets for both agencies, and highlight the programs and services supported by those resources.

(Slide 3) DSS is the largest local government social services agency in the country, comprised of the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). Under the consolidated management structure and the shared mission of DSS, HRA and DHS provide a seamless and integrated continuum of client services to approximately 3 million New Yorkers every day. Our efforts to create a path to sustainability for low-income New Yorkers are rooted in the following three pillars: 1) Streamlining Access to Social Services; 2) Addressing Homelessness and Housing Instability; and 3) Creating Economic Stability. We will refer back to these three pillars throughout our presentation.

(Slide 4) First, I will provide an overview of the DSS/HRA and DHS FY26 executive budgets.

(Slide 5) DSS/HRA is dedicated to fighting poverty and income inequality, providing essential benefits including cash assistance, nutrition and food programs, public health insurance, employment and transportation services, as well as access to housing, homelessness prevention and emergency assistance. DSS/HRA helps more than three million New Yorkers annually through the administration of more than 15 major public benefit programs, with a budgeted headcount of approximately 12,000.

The FY25 budget for DSS/HRA is $13.4 billion, including $10.5 billion in City funds. The majority (over 80%) of the HRA City tax levy budget is earmarked for benefits that the City administers on behalf of New York State. Almost 97% of the DSS/HRA City funded budget provides direct benefits and support to New Yorkers including: 1) Cash Assistance (CA) benefits for which benefit levels and eligibility rules are set by State law and regulation; and 2) Medicaid which includes homecare, managed care, mental health, substance use services, and hospital care is also administered by the State. The City pays a portion of Medicaid costs out of city tax levy representing 60% of the DSS/HRA city funded budget. DSS/HRA sends these funds directly to the State to be used along with other State and federal funds to pay medical providers and managed care plans; and 3) of the remainder, 16% goes to Public Assistance, 13% to rental assistance and homeless prevention, 3% for Administration, 2% for legal services, and 2% for HASA, and 1% each for Employment Services, the Community Food Connection (CFC), and Domestic Violence Services (DVS). HRA also administers the Supplemental Nutrition Assistance Program (SNAP) for 1.8M clients. These benefits are federally funded (about $5B a year) do not flow through our budget but they represent another critical benefit that HRA is mandated to provide. DSS/HRA also administers another $48B in state and federal funds supporting NYC Medicaid clients which are not part of the City Budget. Also note that the DSS budget for administration covers shared services for both HRA and DHS.

(Slide 6) Now I will provide an overview of the DHS budget. DHS is committed to providing safe temporary shelter, connecting New Yorkers experiencing homelessness to permanent housing, and addressing unsheltered homelessness. DHS has an FY25 budget of $4.4B, of which $2.4B is city tax levy. The agency has a headcount of 1,995; and with its not-for-profit partners, it is the largest municipal organization dedicated to addressing homelessness in the United States. (FY24 budget is $3.9B; $2.4B city) . Almost 97% of the DHS budget supports shelter for families and individuals and services for the unsheltered, including outreach and low-barrier beds. The DHS budget is broken out as follows in FY25: $1.35B for family shelter (42%) ; $1.34B for adult shelter (43%) ; $384M for street outreach services (12%) ; and the remaining 3% is for Administration.

(Slide 7) In the FY26 Financial Plan, DSS is continuing to make investments in our critical programs totaling $323.5M in new needs including: HIV/AIDS Services Administration (HASA); Affordable Housing Services (AHS), Domestic Violence Services (DVS); Fair Fares; NYC Benefits, Senior Affordable Rental Apartments (SARA), Street Outreach and End of Line (EOL) services, Community Food Connection (CFC) and Wi-Fi access at DHS Shelters.

(Slide 8) As I have highlighted in my testimony, DSS, HRA and DHS budgets are significantly reliant on federal dollars, but more importantly the 3M people we serve receive significant benefits from the federal government. We are seeing increasing demand for these services at the same time they are under threat.

(Slide 9) The current congressional reconciliation proposal contemplates cuts necessary to reach their goal of extending the $2 trillion dollar tax cuts for the most affluent Americans. Key to reaching that $2 trillion dollar goal are the targeted cuts to the Agriculture and Energy and Commerce Committees which oversee SNAP and Medicaid respectively. Earlier this week the House Agricultural Committee released their markup bill which proposes cutting $300B in SNAP funding over 10 years. 1.8M NYers rely on SNAP to feed their families. Approximately 1/3 are older adults and 1/3 children. The House Energy and Commerce committee markup was also released targeting $715B in cuts to Medicaid through a variety of amendments to eligibility. 4M NYers rely on Medicaid for Health Care.

In addition to the reconciliation plan, the White House released their skinny budget proposal at the beginning of the month. Although the $163B in proposed cuts is silent on SNAP, Medicaid, and TANF, it would be equally devastating to low income NYers. The skinny budget proposes ~$28B cuts to housing and community development programs impacting public housing and Section 8 rental subsidies specifically. Thousands of NY households rely on affordable housing subsidies to survive in our high cost city. The skinny budget also proposes eliminating the Community Development Block Grant which supports Housing Maintenance and Planning (~$3B), and a 12% reduction to Continuum of Care (COC) and Housing Opportunities for

People with Aids (HOPWA). It also proposes eliminating Low Income Home Energy Assistance Program (LIHEAP) ($4B cut) which thousands of NYers rely on for heating and cooling their homes. All are vital programs that the City and State would not have the budget capacity to replace. We encourage all impacted NYers to make your voices heard because if any of these cuts come to fruition, it would be catastrophic for New Yorkers, not only for low income households, but also for the overall economy of the City and region.

(Slide 10) Now I'm going to highlight some of the results of our streamlining access to social services and benefits.

(Slide 11) The SNAP caseload continues to remain high with almost 1.8M recipients and over 30,000 applications as of April 2025.

(Slide 12) Turning to Cash Assistance in the executive budget, the FY25 budget for Cash Assistance is $2.65B to support a caseload of 596k recipients through June 2025. The FY26 budget is $1.65B. $78M ($129M CTL) was added in the Executive Budget for FY25 (only) projected costs, and $920M ($468M CTL) was added in the November Plan for FY25 (only) projected costs. This graph shows both one-time and recurring recipients – in April there were over 588K on-going and 7.4K one time recipients. Although the one time recipients receive rent and utility arrears along with other benefits, it is important to note that many of our clients receiving on-going assistance also receive emergency payments for rent arrears so they can remain stably housed. In FY24, HRA issued emergency rent payments to over 56,000 households

(Slide 13) Along with SNAP and CA, DSS/HRA continues to support New Yorkers with other key benefits including, but certainly not limited to, Medicaid, Fair Fares, and HEAP. I cannot stress enough that automatic Medicaid extensions are ending. Clients must recertify in order to keep their health insurance. We are working to ensure that everyone who remains eligible for Medicaid receives ongoing benefits, and we have a robust Outreach Campaign to remind Medicaid clients of changes to renewal rules and the urgency of submitting renewal applications to avoid any interruption to coverage. Please continue to remind all your eligible constituents to renew. On another note, in collaboration with the Council, we expanded Fair Fairs eligibility to 145% FPL and encourage eligible New Yorkers to submit for benefits as soon as possible. Although the Federal Skinny budget contemplates eliminating HEAP, DSS continued its collaboration with the State, to provide hearing and cooling benefits to New Yorkers.

(Slide 14) Keeping New Yorkers in their homes, moving families and individuals out of shelter, and helping these households remain stably housed are all primary goals for the agency, and I now want to talk about our progress in these areas.

(Slide 15) First I would like to provide a quick update on our DHS shelter population. As of May 2nd, the overall DHS census was 85,615 an increase of 42,000 since the beginning of 2022, before the surge in special population asylum seekers to NYC
Of the 85K, approximately 59,000 (almost 70%) are families made up of children (31,741) and their adult parents and caregivers (27,453) and children make up 37% (or more than one third) of all the people in shelter. The remaining population are made up of single adult men (16,113) single adult women (5,742), and adult families (4,566). Seventy-five percent (75%) of new arrival population are currently housed in DHS shelter facilities.

(Slide 16) In New York City, 97% of people experiencing homelessness are sheltered, but that 3% is an area of particular focus. Since the start of this administration, DSS-DHS has aggressively expanded low-barrier bed capacity, which are shelter types targeted to those experiencing unsheltered homelessness (Safe Havens and stabilization beds). At this years state of the city Mayor Adams announced 900 new low barrier beds representing an investment of another $106M in efforts to address street homelessness in NYC. These beds will start to come online as early as this summer, and the remaining beds to be identified in the DHS development pipeline and brought on line in subsequent years. DHS' safe haven and stabilization bed total will be 4900 once all is said and done. Because of this investment in Street Homeless Solutions, DHS placed more than 3,000 New Yorkers residing in low-barrier programs to permanent housing during the Adams Administration. Since the launch of the Subway Safety Plan in February 2022, more than 8,500 (8,515) New Yorkers have been connected to shelter. DSS-DHS continues to invest in outreach staffing (nearly 400 outreach staff as of today) to support referrals to low barrier shelter. Under the Adams Administration, DHS also opened three new drop in centers to offer clients additional access to services.

(Slide 17) DSS remains committed to connecting New Yorkers to permanent housing and keeping them stably housed. This slide outlines the strides we have made over the past year by strengthening our rental assistance programs, providing homelessness prevention services and leveraging social services dollars to create more affordable housing. As a result, DSS has seen record breaking increases in the number of permanent housing placements. In CY24 more than 10,200 households (nearly 22,000 New Yorkers) moved out of shelter into permanent housing placements using CityFHEPS, a 56% increase compared to CY23. This is a subset of the nearly 15,000 households comprised of more than 31,000 New Yorkers who were able to obtain permanent housing or stay in their homes using CityFHEPS vouchers, reflecting a 43% increase year over year. Through our Homebase homelessness prevention services, in CY24, more than 19,000 households (~40,000 New Yorkers) remained in their homes, and more than 11,000 households (~33,000 New Yorkers) received aftercare services from Homebase to help them stay stably-housed. The Affordable Housing Services (AHS) initiative to create at least 1,000 affordable housing units for CityFHEPS voucher holders exiting shelter remains a priority for the agency. This program uses social services dollars to help not-for-profit human services providers either finance the purchase of, or long-term lease of buildings for use as affordable housing. We are proud of the progress we've made so far. DSS has already opened more than 450 apartments across six high-quality affordable housing sites in the Bronx and Brooklyn in partnership with not-for-profit providers and over 500 apartments are in the pipeline.

(Slide 18) I would like to take a moment to highlight some details on the recent Local Law 46 proposed rule changes impacting the CityFHEPS program. Since its inception in 2018, CityFHEPS has grown to become the second largest rental subsidy in the nation behind NYCHA's S8 program. As a result, the budget for the program has ballooned from CityFHEPS ~$250M to ~$1.2B since 2021. With the threat of federal cuts to other housing subsidy programs looming, DSS in coordination with OMB, has strategically pursued a variety of measures to manage the cost of the CityFHEPS program including this proposed rule change. For year 6 renewals, DSS is proposing to change the baseline household contribution from 30% of the household's monthly income to 40% for households which have earned income and are granted additional renewals for good cause. This is one of several changes that DSS is making to the program to address the significant growth in costs and ensure the program is sustainable going forward. For example: Along with HPD, scaling back the Augmented CityFHEPS program and Implementing Rent Reasonableness.

(Slide 19) As discussed at our preliminary budget hearing and at the Mayor's State of the City, DSS will continue to pursue the CRIB (Creating Real Impact at Birth) pilot program to study the impact of babies being born into homelessness. The necessary rule change to authorize the CRIB pilot was published at the end of April, and is expected to be in place for the pilot to commence in July.

(Slide 20) Now for the 3rd pillar, creating economic stability. We recognize that more and more New Yorkers rely on our City's resources to make ends meet. In addition to the public benefits, rental assistance and other essential resources we offer to help people get back on their feet, I will provide an overview of our career services and other supports that enable New Yorkers to secure steady income and live sustainable lives.

(Slide 21) In CY2024 HRA helped 15,577 clients secure employment, an 89% increase over the CY2023's 8,252 job placements. In FY24, Hire NYC broke their record with human service providers hiring 8,197 PA clients (2,515 more than in FY23). In FY25 (thru 2/28/25), 5,564 clients were hired, so far, putting us on track to exceed last year's numbers. The PINCC program advances training, education & job placements:
Enrolled 1,126 individuals in construction and industrial training, with 653 completions thus far Referred 1,001 individuals to jobs with 513 receiving job offers and 383 job placements with more than 8 Unions, and public and private employers.

(Slide 22) Going forward, we will continue to invest in our career services programming. The Pathways for Access to Careers and Employment (PACE) contracts begin October 2025 using the centralized "no wrong door" program model with locations throughout the boroughs. The program will: (1) Streamline and minimize travel burden, maximize access to all employment and support services, and foster stronger client/staff relationships; (2) Establish an in-demand occupation & sector focused approach that connects clients to skilled professions that offer family sustaining wages; (3) Utilize labor market data to assist clients in gaining marketable skills for success and advancement in their careers; (4) Streamline processes for vendors by offering a hybrid approach to engaging clients .

(Slide 23) I will close by underlining our ongoing commitment to break down government silos and improve access to services. The challenges DSS-HRA-DHS works to confront bridge across agencies, and further, bridge across jurisdictional boundaries. Overcoming these challenges goes to the heart of creating the kind of caring, compassionate communities we seek to live in.

We appreciate the opportunity to testify today, and we welcome any questions that you may have.

Thank you.