



**NEW YORK CITY DEPARTMENT OF  
HEALTH AND MENTAL HYGIENE**

Michelle Morse, MD, MPH

*Acting Health Commissioner*

**Testimony  
of  
Michelle Morse, MD, MPH  
Acting Health Commissioner  
New York City Department of Health and Mental Hygiene  
before the  
New York City Council Committee on Mental Health, Disabilities, and Addictions  
and the  
New York City Council Committee on Finance  
on  
The FY2026 Executive Budget**

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Good morning, Chair Brannan, Chair Lee, and members of the committees. I am Dr. Michelle Morse, Acting Commissioner of the New York City Department of Health and Mental Hygiene. I am joined today by our Chief Financial Officer, Aaron Anderson; our Executive Deputy Commissioner for Mental Hygiene, Dr. Jean Wright; and Assistant Commissioners Dr. Rebecca Linn-Walton and Jamie Neckles. Thank you for the opportunity to testify today on the Department's Executive Budget for fiscal year 2026.

The public health landscape has shifted dramatically since our preliminary budget hearing just two months ago. Starting the day after that hearing, the New York City Health Department has been implicated in a series of federal policy decisions that seek to defund and dismantle public health infrastructure across the country.

At the New York City Health Department, approximately 20% of our budget is federally funded, which amounts to about \$600 million. At the end of March, the federal government tried to rescind over \$100 million of that funding as part of the 11.4 billion-dollar cut to state and local health departments nationwide.

That funding does not impact our mental health budget. It jeopardizes our infrastructure for disease control and outbreak response, and it is currently protected by a preliminary injunction in a lawsuit led by Attorney General Letitia James. I will discuss the status and implications of that funding in more detail at our hearing before the Health Committee later today.

In New York, the impact of these cuts on mental health services was limited to the state government. The Office of Addiction Services and Supports had \$40 million in federal funding revoked. OASAS funds a wide range of critical programs across our state, including transitional housing, community-based addiction recovery programs, and early intervention programs for high-risk populations. While that money does not flow through New York City government, it does go to providers operating here.

The federal government also withdrew \$27 million in funds to the New York State Office of Mental Health. That funding supports crisis care and treatment for substance use and serious mental illness in communities, including 988. These programs provide a lifeline to people outside of hospital settings and help avert emergency treatment.

Again, the revoked funding for both OASAS and OMH impacts New York City providers but not the Department's budget—and the money is currently preserved by a preliminary injunction. We are in regular communication with Commissioners Sullivan and Cunningham to understand the impacts of federal policy and funding changes in real time.

In New York City, one of our mental health programs was directly impacted by the federal government's decision to revoke nearly \$400 million in grants to AmeriCorps and fire 90% of the staff at the agency. A coalition of state attorneys general—including New York Attorney General Letitia James—sued the administration. No ruling has been issued yet.

At the New York City Health Department, some of that funding went toward our Peer Corps program: an AmeriCorps partnership created in response to the rising number of overdose deaths.

Peer Corps recruits people with lived experience in substance use and recovery to become peer certified and support community members through their addiction recovery. Many of the peers in

this program worked in homeless shelters throughout the city and went on to become full-time staff at those facilities. That program is highly successful and we're hopeful we will be able to continue it in the future.

Amid federal uncertainty, we're grateful for several investments in critical mental health programming at the state level, including \$1.5 million to expand teen mental health first aid for high school students, \$160 million to create 100 new forensic inpatient psychiatric beds within the city, and \$2 million in investments to create a hospital-based 'peer bridger' program to help individuals transition out of inpatient care and back into their community.

At the City level, we're pleased to see the Mayor's Executive Budget continue to fund critical mental health programming. In particular, there are two main programs that were previously funded under the American Rescue Plan, which expired in December 2024. The Executive Budget preserved these programs and allocated City Tax Levy funding for their continuation. Those programs are:

1. Our Intensive Mobile Treatment teams, who successfully deescalated a majority of the mental health crises they responded to in FY2024 and provided long-term treatment to individuals with complex mental health needs. These teams are crucial to provide immediate care, help avoid unnecessary hospitalizations, and connect New Yorkers to services.
2. Our clubhouses, which offer life-saving peer support to people with severe mental illness. We anticipate an enrollment of 6,600 clubhouse members by July of 2027, and we will continue to grow clubhouse memberships as time goes on.

We're grateful, too, for the dedication of resources to support Trauma Recovery Centers. The Centers provide case management, therapy, and crisis intervention services to people who have been victims of violent crime. We appreciate the Council's leadership in funding these through the discretionary process, and we are excited to bring these centers into our continuum of care.

This budget also includes also funds for the Community Syringe Redemption Program. That initiative makes communities and people who use drugs safer by removing used needles from circulation in public spaces. In just the first four weeks of operation, more than 20,000 needles have been safely retrieved in priority neighborhoods.

At the New York City Health Department, mental healthcare is integral to our vision to achieve longer, healthier lives for all New Yorkers. Our division of mental hygiene employs about 600 people and has an operating budget of \$775 million for FY26, as of the Executive Budget. Our existing and forthcoming work on mental health is detailed in *Care, Community, Action: A Mental Health Plan for New York City*.

That work begins with the acknowledgement that there is an acute need for sustained, evidence-based, and community-driven mental health interventions in New York City—and a strong and adequate workforce to implement them.

Nearly one in four adult New Yorkers experience a mental health disorder in a given year. It is our responsibility to help care for New Yorkers when they need it most. We all bear witness to

intersecting crises of mental health, homelessness and housing insecurity, food insecurity, and more.

But we cannot forget that at the heart of these crises—and our efforts to address them—are people. In every part of our mental health work, we are meeting people where they're at. We're giving them the tools to manage their mental health and be in community. These are not solutions that happen overnight, but it is life-saving work.

Our mental hygiene team works with more than 200 community providers and supports more than 800 programs to provide housing, clinical support, and mental health programming to New Yorkers.

Many of those programs rely on employing peers—people who have experienced the same mental illness or substance use issue as the person they're supporting. These models are built on an innate sense of understanding and trust that comes from shared lived experience. We're proud to have over 600 peers working across our mental health programs as either Health Department employees or in contracted programs.

In addition, we're working to support New Yorkers by addressing underlying causes of adverse mental health, including substance use, postpartum depression, and housing insecurity. Among those initiatives is our recent RFP for expanded access to substance use disorder treatment services; the perinatal mental health initiative, which added practitioners to five mental health clinics so we can care for an additional 150 pregnant and postpartum people a year; and the Health Department's work in expanding supportive housing as part of the 15/15 initiative. We oversee more than 12,000 units and added more than 600 units of supportive housing last fiscal year. We're grateful to see more funding dedicated to this work in the Executive Budget. And we appreciate the shift in 15/15 criteria that allows for more congregate units.

Mental health is a vital part of public health—it is a top priority for our agency. We are proud of the work we've done to get New Yorkers help when they need it most, and we are committed to the continued expansion of this work.

That said, we are in a difficult moment in public health and mental health alike. The most recent attempted federal cuts to mental healthcare are a step backwards. They could have a devastating impact on our city, and we are monitoring the federal landscape closely.

We remain committed to mental healthcare that recognizes each person's humanity and prioritizes their health. That takes sustained, community-driven work. It takes addressing the root causes of mental illness head on. And it takes bringing stability to the daily lives of New Yorkers.

Thank you, Chair Brannan, Chair Lee, and members of the committees, for your attention to this issue and for the opportunity to testify today. I am happy to take any questions you might have.