

**Testimony of Molly Wasow Park, Commissioner  
New York City Department of Social Services**

**Before the New York City Council, Committee on General Welfare  
Department of Social Services Fiscal Year 2025 Executive Budget Hearing  
May 6, 2024**

Good morning. I want to thank Deputy Speaker Ayala, Chair Brannan and the members of the General Welfare and Finance Committees for holding today's hearing and for the opportunity to testify about the Department of Social Services' (DSS) Fiscal Year (FY) 2025 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, DSS Chief Program, Performance, and Financial Management Officer, Ellen Levine, Executive Deputy Commissioner of Finance, Rosine Ferdinand, and Deputy Commissioner of Finance Patrick DiStefano. Collectively we represent the approximately 14,000 hardworking staff who dedicate their lives to supporting low-income New Yorkers.

First, let me provide an audio description of myself for attendees who are blind or low vision. I am...

This first slide and all slides introducing a new section include a New York cityscape and a blue box with white text indicating the title. This slide also includes a blue and white DSS/HRA/DHS logo in the upper left-hand corner. The title is Fiscal 2025 Executive Budget Testimony with my name and today's date.

Most other slides in this testimony have a light blue ribbon at the bottom that includes the DSS/HRA/DHS logo in various shades of blue.

(Slide 2) This next slide lists our Agenda.

Today we will provide an overview of the FY 25 budgets for both agencies, and highlight the programs and services supported by those resources.

(Slide 3) This next slide shows a Venn diagram indicating the overlap between DSS, HRA, and DHS.

Under the leadership of Mayor Adams, the DSS-HRA-DHS consolidated management structure aims to provide a seamless and integrated continuum of client services to approximately 3 million New Yorkers. 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) This slide indicates the next section of our testimony.

First, we will provide an overview of the DSS/HRA Executive Plan budget for FY25.

(Slide 5) This next slide shows a pie chart denoting our DSS/HRA City Fund breakdown.

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. The FY25 Exec Plan budget for DSS/HRA is \$11.7 billion, including \$9.3 billion in City funds. The FY25 budget increased in the Executive budget by \$872M (\$909M City) since the January Plan. The increases are a combination of additional City funding for rental assistance; a 3% three-year not-for-profit COLA (Cost of Living Adjustment) and other collective bargaining adjustments; and some technical adjustments in the Medicaid Budget. The DSS/HRA headcount is a little over 12,000 (12,018) of which 9,390 are City funded positions in FY25. Our onboard staff is 10,958. As I explained at our last hearing, we have been able to hire and retain staff since the pandemic drop and we have maintained that staffing level.

(Slide 6) This next slide shows, through an array of colorful boxes, how many New Yorkers are served in each of DSS/HRA's programs.

The DSS/HRA budget serves and supports millions of New Yorkers each day. While some people and households are enrolled in more than one DSS/HRA program, we serve millions every month and millions more over the course of a year. Today there are nearly 1.8 million people receiving SNAP benefits, over 4 million receiving Medicaid funded healthcare of which 1.6 million cases are managed by HRA, as well as over 500,000 people on Cash Assistance who are also receiving SNAP and Medicaid.

On the housing side, DSS/HRA supports households with CityFHEPS, HASA supportive housing, and rental assistance. DSS/HRA also provides State FHEPS to another 11,000 households. Other programs not included on this slide are: Adult Protective Services with 6,000 under care; our Domestic Violence shelter system serving 1,200 families every day; the Community Food Connection serving 46 million pounds of food through 700 food providers annually; and HomeBase which serves 36,000 households.

(Slide 7) This slide indicates that we will now be providing an overview of the projected DHS Executive Plan budget for FY25.

(Slide 8) Our next slide displays a pie chart depicting DHS funds.

DHS is committed to providing safe temporary shelter, connecting New Yorkers experiencing homelessness to permanent housing, and addressing unsheltered homelessness. With its not-for-profit partners, DHS is the largest municipal organization dedicated to addressing homelessness in the United States. DHS has an FY25 budget of \$3.9B, of which \$2.4B is city tax levy and headcount of 1,903 with 1,798 on board. Over 95% of the DHS budget supports shelter for families and individuals, and services for the unsheltered, including outreach and low-barrier beds. DHS central functions like contracting, IT and human resources are part of the DSS management structure; and the administrative functions that you see here are directly related to the operations of DHS programs.

(Slide 9) This next slide displays a graph depicting the DHS shelter census.

During the pandemic there was a decline in shelter entries while at the same time DHS continued to make permanent housing placements which as a result led to a decline in the census. The non-asylum census is about 7% below the pre-pandemic level and well below the pre-pandemic peak of 61,400 reached in January of 2019. The census dramatically increased due to the arrival of asylum seekers. As of May

1, 2024, the overall DHS shelter census is a bit over 86,000. Nonetheless, DSS remains focused on shelter exits, particularly for our non-asylum seekers and has employed various methods to assist New Yorkers in successfully transitioning from shelter into permanent housing, which I will discuss later in my testimony.

(Slide 10) This next slide is a pie chart depicting shelter residents by population.

The DHS budget is largely a function of the shelter census. Currently, the overall DHS census is a slightly over 86,000. At the end of April it was 86,300 people, as shown in this chart. This is an increase of more than 41,000 since the beginning of 2022, before the surge in asylum seekers to NYC. Today, approximately 36% of the overall census is made up of asylum seekers – over 30,000 people. In January 2022, the census was around 45,000 – lower than it was in 2020 immediate pre-pandemic. As asylum seekers came to NYC and began to enter shelter in large numbers, the census rose sharply over the past two years. Asylum seekers account for 75% of the growth in the DHS census, relative to January of 2022. Of the 86,000 people in shelter, approximately 62,000 (or over 70%) are families made up of children and their adult parents or caregivers. Children make up nearly 40% of all the people in shelter.

(Slide 11) Our next slide lists services for people who are unsheltered.

Our engagement with individuals experiencing unsheltered homelessness is another critical component of DHS's work. Since the start of this administration, DSS-DHS has doubled outreach staffing (nearly 400 outreach staff on the ground as of today) and aggressively expanded low-barrier bed capacity (Safe Havens and stabilization beds), bringing nearly 300 new beds online since August 2023 alone, with approximately 4,000 such beds online as of today. As a result of critical investments in 24x7 outreach efforts and the intensification of end-of-line efforts as part of the Subway Safety Plan (SSP), referrals to shelter and low barrier placements increased by 70% in FY23. Since the launch of the Subway Safety Plan in February 2022, more than 7,000 New Yorkers have been connected to shelter from the subways. And I am incredibly pleased to report that thanks to critical investments in a comprehensive continuum of care, DSS-DHS more than doubled (130%) the number of permanent housing placements for people experiencing unsheltered homelessness year over year. DHS placed almost 1,000 New Yorkers residing in low-barrier programs to permanent housing in FY23.

(Slide 12) Our next slide indicates that we will now move on to the next segment of this testimony: Streamlining Social Services.

I'd like to revisit the three pillars discussed at the onset of our presentation and focus on the first pillar of streamlining social services.

(Slide 13) This next slide depicts a graph displaying the reduction in backlogs for Cash Assistance and SNAP cases.

After record increases in SNAP and CA applications in the past few years – double pre-pandemic levels – I am immensely pleased to report that DSS has functionally eliminated the previously reported backlogs of Cash Assistance and SNAP applications that peaked at more than 50,000 combined cases — ensuring low-income New Yorkers can quickly and easily access the benefits they qualify for. Investments in staffing, technology, and process improvements have reduced the backlog of cases by 99 and 92 percent, respectively. This is even better than when I appeared here last month. This achievement could not be done without the hard work of our dedicated staff serving millions of New Yorkers every day. In total, DSS/HRA processed more than 600,000 cash assistance and SNAP applications since the July 2023 backlog peak.

(Slide 14) This next slide lists some of our accomplishments in benefits administration.

As previously mentioned, Cash and SNAP are our highest profile benefits, but there is so much more that the agency does. Here are some examples of how we have been able to connect more New Yorkers in need to services that support their economic stability. We created a new portal for landlords and providers to expedite enrollment in rental assistance and to make electronic payments to landlords. We expanded childcare assistance for those leaving the cash rolls. In partnership with the MTA and Speaker Adams, we have expanded Fair Fares and increased enrollment. And we provided HEAP grants to eligible low-income homeowners and renters to heat and cool their homes.

(Slide 15) On this slide, we are looking ahead to 2025.

We are excited about the investments we have made to support our not-for-profit partners and enhance services for our clients in the year ahead. We issued new RFPs for Legal Services to further strengthen support for clients at risk of eviction. We are making enhancements to the AccessHRA Provider Portal that will make it easier than ever for CBO partners to help New Yorkers enroll in DSS benefits. We will

embark on a collaboration with new social care networks under the NYS Medicaid waiver which will provide many Medicaid members (and DSS clients) with extra services, including nutrition and housing supports, to improve long-term health outcomes. And finally, we are happy to share that over 30 NYC Benefits CBO contracts will transfer to DSS and will provide New Yorkers with help accessing DSS/HRA and other benefits and services.

(Slide 16) Now, moving to the second pillar that supports the path to sustainability, we will outline some of the ways which DSS-HRA-DHS have been able to further the goals of homelessness prevention and housing stability.

(Slide 17) This slide lists our affordable and supportive housing accomplishments.

Part of our mission is to connect those clients who enter shelter back to permanent housing as quickly as possible. In FY23, DSS saw a 17% increase in permanent housing placements from shelter, and to date in FY24 there has been a 16% additional increase in housing placements. More New Yorkers are now living safely and stably in supportive housing units. In fact, 46% more New Yorkers were connected to permanent supportive housing in 2023 than in the preceding fiscal year; and almost 1,000 unsheltered individuals were placed in permanent housing.

DSS has taken steps to strengthen rental assistance programs to make CityFHEPS easier to use by reducing work requirements, eliminating the 90-day rule, allowing for the use of CityFHEPs statewide and streamlining the program with technological improvements. To ensure that more New Yorkers gain access to affordable housing, DSS launched the Affordable Housing Services initiative to use social service dollars to create affordable housing for nearly 1,500 households in shelter. Furthermore, the AHS initiative provides sustainable funding solutions to help not-for-profit providers secure long-term, building-wide leases or even acquire permanent housing sites, while providing light-touch services for tenants who were formerly experiencing homelessness. DSS has also rolled out extensive training to improve and increase housing package submissions.

(Slide 18) This slide depicts a bar chart comparing FY18 versus FY23 City and non-City spending on housing stability initiatives.

What is very important to emphasize is that not only is DSS innovating and developing new housing models, but those investments of City funds in prevention and housing grow year over year while other funding streams remain stagnant. This chart compares FY18 spending to FY23 spending in DSS on rental assistance,

including the City and State FHEPS subsidies, HASA housing and rental assistance, Legal Services, HomeBase, rent arrears and affordable housing services. Spending for these programs grew 60% overall in this 5 year period, but City funding grew by 85%, while non-City funding grew by only 15%. The City's share of the total \$1.6B in 2023 spending was \$1.2B - 75% of the total in 2023, compared to 65% in 2018.

(Slide 19) This slide shows a bar chart depicting the upward trend in CityFHEPS household placements.

The City's investment to increase subsidized permanent housing placements has yielded the following results so far: DHS is currently on pace to place over 12,000 households through CityFHEPS in FY24, a 20% increase compared to FY23. This is record-breaking progress. We are also aggressively increasing permanent housing placements from shelter in FY24. There has been a 16% increase in placements in FYTD 24 through Jan, compared to the same period in FY23. As we saw on the previous slide, City funding is making up a growing share of housing-related costs - and City funded housing options are making up a greater and greater share of shelter related move-outs. In FY24, CityFHEPS is the primary driver for shelter placements (65%) — compared to 52% in FY20.

(Slide 20) On this slide, we are looking ahead.

As I mentioned earlier in my testimony, we continue to focus our efforts on moving families and individuals from shelter into permanent housing as quickly as possible. By leveraging social services dollars to address the housing supply shortage, we will create 1,500 new affordable units for households exiting shelter. Through our new state-funded SHARE program, we will be able to increase shelter move outs for some of the longest-term stayers in the DHS system who are not eligible for other subsidies. We recently announced Project Home, a new pilot program between the New York City Department of Homeless Services (DHS) and New Destiny Housing, a nonprofit that provides housing and services to domestic violence survivors and their families, to connect 100 families with children living in DHS shelters due to domestic violence to safe and affordable permanent housing through a novel housing assistance team model.

(Slide 21) This next slide depicts two bar charts showing trends in Emergency Rent Arrears Payments and in Eviction Prevention.

To further our goals of keeping New Yorkers in their homes, moving families and individuals out of shelter, and helping them remain stability housed, we take

advantage of a variety of tools at our disposal. Emergency Rent Arrears is a cash assistance benefit. In FY23 DSS issued over \$300 million in emergency rent payments to 43,000 households. Many of these payments go to applicants and recipients of on-going assistance. The number of households receiving emergency payments in FY23 increased since a pandemic drop in FY21 and FY22.

In FY 2023, DSS's Office of Civil Justice (OCJ) funded legal organizations provided legal assistance to an estimated 98,000 New Yorkers in approximately 43,700 households across New York City facing housing challenges, including eviction, disrepair, landlord harassment and other threats to their tenancies. The number of households served in FY23 is the highest on record since the start of the Universal Access to Counsel program. These services proved to be essential as the number of eviction filings increased by more than 57,000, or approximately 83%, in the last year. However, it should be noted that eviction filings in FY2023 were still significantly lower than pre-pandemic levels. Since 2014, OCJ has provided legal services ranging from brief advice to full representation in 291,000 eviction and other housing-related matters with estimated household sizes totaling up to more than 700,000 New Yorkers served.

(Slide 22) To close out our presentation, I would like to highlight the final pillar which focuses on economic stability.

(Slide 23) The next 2 slides list our further achievements.

To promote economic stability, DSS offers education, training and employment services to help clients develop job skills and build a career that will lead to success and financial stability. These programs are funded at a total of over \$300M. As part of our revitalization efforts, we launched the Pathway to Industrial and Construction Careers (PINCC) program to connect clients to jobs in these two industries. We are also restructuring our career services programs and contracts to ensure that we are focused on connecting clients to growth industries with jobs with long term potential. Thanks to changes in state law, we are able implement new income disregards to support clients' economic growth. This means clients who are participating in training programs, or who get a job, do not immediately face a benefits cliff. As a result, they are more likely to achieve economic stability and growth. And one initiative I'm particularly excited about is the strengthening of the pathway for our clients to access human services jobs. In FY23, human service providers hired nearly 6,000 PA clients and we are on-track to exceed this in FY24. This is a gain for both clients, and for providers who are frequently struggling in the



labor market. It is a priority to create and expand opportunities that will help low-income New Yorkers achieve sustainability, and our work reflects that.

(Slide 24) Looking forward, we are issuing new RFPs for Career Services that will focus on building pathways to sustainable careers. The Pathways for Access to Careers and Employment (PACE) will be released in FY25. That program will connect participants to jobs across 8 industries: healthcare, human and social services, technology, industrial/manufacturing, construction, food/customer service, maintenance and security, and transportation/warehousing.

And finally, through our partnership with the MTA, we launched the OMNY Pilot, which includes 50 volunteer Fair Fares enrollees who are testing the use of the Fair Fares discount with the OMNY Card. The pilot is the first step to transitioning the Fair Fares program to the MTA OMNY fare payment system.

(Slide 25) I will close by underlining our ongoing commitment to break down government silos and improve access to services. The challenges DSS-HRA-DHS work 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.