

**Testimony of the NYC Department of
Social Services, the Health & Hospital Corporation, and the Mayor's Office of Federal
Legislative Affairs**

**Committee on Governmental Operations, State and Federal Legislation
Jointly with the Committee on General Welfare and the Committee on Hospitals.**

September 15th, 2025

Introduction:

Good afternoon, Deputy Speaker Ayala, Chairs Restler and Narcisse, and Members of the Committees.

On behalf of the City of New York, below is the testimony by key City agencies in response to your committees' request regarding the impact of potential federal funding cuts. These agencies include the:

- NYC Health + Hospitals (H+H)
- NYC Department of Social Services (DSS)
- NYC Office of Federal Legislative Affairs (FLA)

Whenever federal funds have been reduced, or in the threat of continuing cuts, our Administration has acted decisively — filing lawsuits, submitting affidavits, pressing officials in Washington, and taking every step necessary to secure the critical resources our City needs. New Yorkers can be confident that we are focused on ensuring they receive the services and resources they depend on. Protecting and serving New Yorkers has always been this Administration's North Star — and that will never change.

The City relies heavily on federal funding — \$9.7 billion in FY 2025 (8.3% of spending) and a projected \$7.4 billion in FY 2026 (6.4% of spending). These funds are essential to support critical services like healthcare, childcare, education, housing, and social programs. The impacts of H.R. 1, also known as The Big Beautiful Bill Act, remain a concern and threat to the welfare of the City. However, given that many of the cuts will depend on state decisions and agency-specific strategies for implementing the changes, it remains too early to fully understand how the changes will take shape.

Additionally, the current federal fiscal year ends on September 30, 2025. Currently, no appropriations bills for FY 2026 have been enacted. Instead, both chambers of Congress and the White House have proposed a continuing resolution (CR) to preserve current spending levels, which aim to prevent a potential government shutdown. Proposals for whether there will be a CR and when it would expire remain under negotiation in Congress, amid partisan debate and no final vote has taken place thus far. At the same time, the Trump Administration has initiated freeze and rescission directives targeting over \$30 billion in funding across domestic agencies.

Proposed cuts to federal programs such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid would be the largest in the history of these programs, stripping billions from NYC's economy and pushing hundreds of thousands of New Yorkers into food insecurity and housing instability. These cuts and the people affected are not abstract numbers on a spreadsheet; they represent real services that protect real people; the New Yorkers who strengthen our city.

Some of the ways in which we have mitigated against these federal cuts include:

- The FY 2026 Adopted Budget protects the City with a record \$8.5 billion in reserves—and a Rainy-Day Fund that has reached an all-time high of \$2 billion.
- Created a \$2 million LGBTQ+ Emergency Support Fund to provide urgent financial relief to LGBTQ+ organizations harmed by federal funding cuts. Priority will go to community-based providers working with the City that offer housing, healthcare, legal aid, and crisis services for LGBTQ+ New Yorkers, especially those in marginalized and underserved communities.
- Invested \$3.2 million to keep AmeriCorps service alive in New York City—supporting volunteers who strengthen communities and expand civic engagement. With federal support gone, the City is stepping up to build a program of its own.
- Maintained a consistent line of communication with the federal administration, which has helped us avoid some of the consequences of its broader policies. For example, when the federal government halted wind projects nationwide, our engagement ensured that the stop-work order was lifted for New York City's multi-billion-dollar offshore wind project off the Brooklyn coastline.
- Filed or joined in litigation and or participated in legal actions to defend the City, and which resulted stopped or delayed cuts. For example, in February 2025, New York City filed a federal lawsuit against the Trump administration after it unlawfully seized over \$80 million in FEMA funds intended to reimburse the city for expenses related to the asylum seeker crisis. In May 2025, New York City, as part of a national coalition of eight local governments, filed a lawsuit against the U.S. Department of Housing and Urban Development (HUD), challenging the federal administration's imposition of unlawful conditions on Continuum of Care funding. These conditions threaten over \$53.5 million in grants intended for rental assistance to chronically homeless households, potentially jeopardizing housing stability for more than 2,700 NYC residents.

On April 16, 2025, the New York City (NYC) Administration for Children's Services (ACS), Department of Housing Preservation and Development (HPD), Department of Health and Mental Hygiene (DOHMH), Department of Social Services (DSS), the Police Department (NYPD), Emergency Management (NYCEM), the Office of Federal Legislative Affairs (FLA), and NYC Public Schools (NYCPS) provided testimony for a related oversight hearing entitled Preparing NYC for Changes in Federal Funding. As shared in testimony for that hearing, this

Administration remains steadfastly committed to protecting and serving every New Yorker. That focus drives everything we do.

Thank you to Deputy Speaker Ayala, Chairs Restler and Narcisse, and the Members of the Committees on General Welfare, Governmental Operations, and Hospitals for holding today's hearing on *The Impacts of Federal Budget Cuts* and for your ongoing partnership. We appreciate the Council's continued focus on federal policy impacts on vulnerable New Yorkers and our shared communities and commitments, as well as this opportunity to consider the direct, tangible impacts that reductions in federal funding have on our communities.

NYC Health and Hospitals

NYC Health + Hospitals ("Health + Hospitals" or "H+H") plays a crucial role in providing healthcare to vulnerable populations. Approximately 70% of patient discharges are covered by Medicaid or the Essential Plan, underscoring how vital these programs are for our patients. At H+H, 97% of babies are born to Medicaid-covered mothers, and 70% of patients under 18 rely on Medicaid for their care. As outlined during the Executive Budget hearing in May, H+H initially estimated that an earlier version of the Reconciliation Act could have a financial impact in the range of hundreds of millions of dollars. This remains a major concern, as we operate on very tight margins while providing quality care for all New Yorkers, regardless of insurance status or ability to pay.

H+H cannot absorb the full brunt of these cuts alone. The ultimate impact will depend on decisions made at the State level as the final version of the law is implemented. Since those decisions are not yet final, the precise financial effects remain uncertain.

Our mission will not change due to these cuts, and we will not back away from serving NYC. We are committed to maintaining stability and safety for our system, patients, and staff. We are committed to maximizing efficiencies while preserving the high-quality care our communities deserve. H+H has repeatedly proven we can meet challenges head on. In coordination with leadership, we are advancing financial and strategic plans to adapt and continue serving our patients safely. In coordination with our System leadership, we are working on financial and strategic plans to support our problem-solving, and we will continue to adapt to best serve our patients and communities safely.

NYC Department of Social Services

At the Department of Social Services (DSS), we have an enduring commitment to serving our fellow New Yorkers by administering public benefits that are crucial components of our social safety net. Comprised of both the Human Resources Administration (HRA) and the Department of Homeless Services (DHS), DSS is the largest local government social services agency in the country and serves approximately three million New Yorkers annually.

Several threads of federal policy impact DSS clients and our agency workflows that we continue to monitor closely. At the same time, we must continue to advocate at all levels of government for a course that is guided by our enduring commitment to uplifting our clients' wellbeing. A

central focus of concern has been H.R. 1 in the 119th Congress and its specific budget provisions and impacts on the social safety net, in particular SNAP and Medicaid. Additionally, the compounded effects of these cuts when taken together with other federal policy actions could hurt hundreds of thousands of New Yorkers and impose significant fiscal harm to NYC. These policy actions include Executive Order 14218 (“Ending Taxpayer Subsidization of Open Borders”), the United States (U.S.) Justice Department’s subsequent order regarding the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) and Executive Order 14321 (“Ending Crime and Disorder on America’s Streets”); all of which involve dramatic federal policy shifts that could result in serious changes in who is able to access public housing, shelter, and a range of other benefits.

SNAP

As the US Department of Agriculture’s (USDA) Food and Nutrition Service (FNS) states, “No one in America should have to go hungry.” FNS describes their mission as “to increase food security and reduce hunger in partnership with cooperating organizations by providing children and people with low-income access to food, a healthy diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.” FNS further describes SNAP’s work, “SNAP provides food benefits to low-income families to supplement their grocery budget so they can afford the nutritious food essential to health and well-being.”

In contrast to that mission and SNAP’s stated purposes, H.R. 1 imposes an estimated \$200 billion to \$300 billion in cuts to SNAP over the coming decade which are the largest cuts in the history of SNAP.

In NYC, SNAP helps approximately 1.8 million New Yorkers access nutritious food, including approximately 550,000 children and 545,000 older adults. We currently estimate that H.R. 1 could result in up to \$1.4 billion in lost funding to the City. This includes \$570 million annually in lost benefits to more than 300,000 NYC residents as well as up to \$861M in costs shifted from the federal government to the state and local level.

This is part of a larger national trend. The Congressional Budget Office’s (CBO) August 2025 Supplemental Information brief (on Title I, Subtitle A, Public Law 119-21) estimated reduced participation in SNAP at the national level by roughly 2.4 million people in an average month over the 2025-2034 period (noting that does not account for interactions among H.R. 1 provisions). Feeding America’s most recent meal gap report (Map of the Meal Gap 2025: A Report on Local Food Insecurity and Food Costs in the United States in 2023) findings included the points that:

- 100% of counties and congressional districts are home to people facing hunger;
- Child food insecurity affects every county and district;
- More than 12 million seniors and older adults experience food insecurity;
- More than 2 out of 5 people facing hunger are unlikely to qualify for SNAP.

SNAP dollars also support economic development in local communities. The USDA estimates each SNAP dollar generates \$1.54 of local economic activity; that supports supermarkets, small

businesses, employment, and has resulting waves of positive community impacts contributing to a stronger, more resilient economy. Given the multiplier effects of SNAP dollars, lost SNAP benefits translate to almost \$900 million in lost NYC economic activity.

SNAP Error Rates

For the first time in the history of SNAP, H.R. 1 will shift costs of SNAP benefits onto states. Prior to H.R. 1, the federal government paid the entirety of the SNAP benefit and 50% of administrative costs. H.R. 1 shifts a proportion of SNAP benefit costs to states based upon their SNAP payment error rate (as described below) and reduces the federal portion of administrative costs to 25%.

NYS Office of Temporary and Disability Assistance (OTDA) estimates the reduced federal administrative cost share provision will reduce funding to New York State by about \$168 million annually. Of that total, approximately \$36 million will be borne by the State, while local social service districts will be responsible for the remainder. The NYC share will be approximately \$111 million annually.

With respect to SNAP benefit costs, H.R. 1 sets forth a table of cost shifting that is dependent on the state's payment error rate. The error rates and corresponding state responsibility to pay for SNAP benefits are as follows:

- Error rate below 6% results in a 0% state match
- Error rate 6%-8% results in a 5% state match
- Error rate 8%-10% results in a 10% state match
- Error rate over 10% results in a 15% state match

It is important to note that the error rate does not truly reflect current SNAP program administration. These calculations are based on a very small sample size, do not distinguish between client and agency errors, have no review or appeal process, and factor in errors made as far back as three years ago. H.R. 1 has converted this very fragile metric into an enormously high-stakes indicator.

Although the actual cost share will be based on the New York State error rate for federal fiscal year 2026, if it were to be based on NYS' projected error rate for FY25, the state would be subject to a 15% state match once this provision of HR1 becomes effective; OTDA estimates that cost at \$1.17 billion, of which approximately \$750 million is NYC cost. DSS/HRA is committed to reducing our overall error rate through on-going training and maximization of technology to keep pace with the evolving landscape of federal and state guidance and regulations.

In terms of community and broader national impacts, these changes erode SNAP's ability to act as an automatic stabilizer (meaning quickly expanding when the economy is contracting so as to combat downturns and recessions without legislative intervention). States and localities do not have the fiscal capacity of the federal government to borrow in a recession, yet H.R. 1 puts states and localities on the hook to take on partial responsibility for SNAP benefits payments even when their own state and municipal budgets may simultaneously be hard hit by a recession.

SNAP Work Requirement

The resumption and expansion of SNAP Able-Bodied Adult Without Dependents (ABAWD) work requirement rules will further exacerbate issues for New Yorkers and New York City. Most of New York state, including all of NYC, has had a long-standing waiver from the requirement that ABAWD clients work 80 hours a month in order to receive SNAP benefits. H.R. 1 both severely constrains these waivers and expands the universe of recipients covered by the work requirements. We estimate approximately 221,000 SNAP households could lose some or all of their benefits as a result. Furthermore, the resumption of ABAWD requirements, which do not align with cash assistance work requirements, will likely result in errors negatively impacting the overall SNAP payment error rate. H.R. 1 also removed the ability for states to qualify for a waiver of ABAWD rules when there is a lack of jobs in a particular area, meaning even if there is a demonstrated lack of opportunity, states must have an unemployment rate of greater than 10% to qualify for a waiver.

As DSS testified to the Council earlier this year: Food insecurity intersects with many aspects of both individual and community well-being. From poorer school attendance and academic performance to poorer health outcomes including depression, diabetes, heart disease, and other chronic diseases – greater food insecurity results in disparate impacts on low-income communities along multiple important dimensions of our communities' well-being.

“Heat and Eat”

H.R.1 also impacts what is commonly referred to as "Heat and Eat" SNAP benefits. According to the newly enacted law, states will now be restricted from providing additional SNAP benefits to those also receiving Low-Income Home Energy Assistance Program (LIHEAP) benefits. Approximately 150,000 New Yorkers rely on this added benefit to help manage food and utility costs in our high-cost city - many of which are older adults on fixed incomes.

SNAP-Ed

The USDA describes SNAP-Ed as "an evidence-based program that helps people make their SNAP dollars stretch, teaches them how to shop for and cook healthy meals, and lead physically active lifestyles. SNAP-Ed partners with state and local organizations to meet people where they are. SNAP-Ed initiatives include nutrition education classes, social marketing campaigns, and efforts to improve policies, systems, and the environment of communities." H.R. 1 eliminates funding for SNAP-Ed. SNAP-Ed programs are estimated to have reached 2.2 million New York State residents in State fiscal year 2025.

Thrifty Food Plan

The Thrifty Food Plan is the model USDA uses to determine maximum SNAP benefits; using a holistic approach, the plan aims to account for fundamentally important factors in determining benefit levels such as food prices, dietary guideline changes, and purchasing habits. H.R. 1's imposition of a cost neutral requirement on the Thrifty Food Plan means that USDA will no

longer take into account critical context that helps SNAP benefits keep pace with those holistic factors around food costs and household needs. Over time, this will result in a substantial reduction in the purchasing power of SNAP benefits.

Policy Uncertainties & Limits of Current Analysis

Although we are making our best efforts to understand the budgetary and policy consequences of H.R. 1, and associated executive orders (EO 14218, EO 14321), our current understanding is continually being updated and informed by further policy development and the promulgation of rules and directives on the federal and State levels, as well as ongoing litigation. In terms of policy development, rules, and directives both the State and federal governments must spell out in greater detail how they plan to carry out many of the cuts, cost shifts, and administrative changes H.R. 1 and the Trump Administration's executive orders set out.

Medicaid

New York state's Medicaid program provides comprehensive health coverage to more than 6.8 million New Yorkers. Medicaid pays for a wide range of services, including home care and nursing home coverage, is widely accepted by major hospital networks, and has small co-pays, which can in some circumstances be waived. Through its children's waiver program, New York provides crucial coverage to medically fragile children and children with disabilities to ensure parents do not bankrupt themselves paying for necessary medical care to keep them on their developmental trajectory. These programs help people get or stay healthier and more independent.

Contrastingly, H.R. 1 imposes more than \$860 billion in cuts to Medicaid over the coming decade. Those hundreds of billions in cuts represent the largest cuts in the history of Medicaid. AS described in further detail further in this testimony, altogether H.R. 1 imposes more than \$1 trillion in cuts to SNAP and Medicaid over the coming decade. New York State has estimated H.R.1 will have a \$13.5 billion impact on healthcare related costs statewide. Although HRA only directly manages Medicaid for special populations including older adults, individuals who have a disability or are blind and those who need enhanced services like home care, the impact of H.R. 1 Medicaid cuts on HRA clients overall is severe; almost 50% of NYC residents rely on MA in some form.

Federal Actions and Proposals for Housing Budget Cuts

Alongside our sister agencies, including NYCHA, NYC Department of Housing Preservation and Development (HPD), and the NYC Housing Development Corporation (HDC), DSS is closely monitoring federal actions and presidential proposals for cuts to key housing programs. That includes:

- Eliminating the Emergency Housing Voucher (EHV) Program. The EHV program was a COVID recovery program to assist households experiencing homeless, at-risk of homelessness, fleeing intimate partner violence or human trafficking, or recently homeless and at high risk of housing instability to find housing by subsidizing a portion

of rent based on the household's income. The Trump Administration has sunset this program years before the originally scheduled end date.

- Cutting the Housing Choice Voucher Program (HCV, commonly known as Section 8) funding; HUD has explained that this program "is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market." More than 200,000 NYC residents benefit from Section 8.
- Cutting Continuum of Care (CoC) funding. The CoC program helps communities "to quickly rehouse homeless individuals, families, persons fleeing domestic violence, dating violence, sexual assault, and stalking, and youth while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless individuals and families, and to optimize self-sufficiency among those experiencing homelessness." Approximately 7,000 units of supportive housing in NYC are funded through the CoC.
- Cutting Housing Opportunities for Persons With AIDS (HOPWA) funding; HUD explains HOPWA funding "is the only Federal program dedicated to the housing needs of people living with HIV/AIDS," and further that, "under the HOPWA Program, HUD makes grants to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families." Thousands of NYC residents benefit from HOPWA funding.

The Personal Responsibility and Work Opportunity Act of 1996 (PRWORA)

In July, U.S. Attorney General Pam Bondi, the US Justice Department, and the Department of Health and Human Services reinterpreted the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) to make so-called "non-qualified aliens" ineligible for a wider range of federal public benefits and require programs to verify immigration status in order to enforce the new eligibility requirements. Further, the Justice Department's July order revoked a lengthy list of services that could be funded by federal, state or local dollars because they were considered necessary for life and safety. These services included critical emergency resources like soup kitchens and food pantries.

On August 13, the City submitted a comment to the federal government regarding the HHS Notice, stating that the HHS Notice is unlawful, being procedurally invalid, arbitrary and capricious, and contrary to law (Re: Comment on Notice Re: Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); Interpretation of "Federal Public Benefit," Docket No. AHRQ-2025-0002, Document No. 2025-13118, 90 Fed. Reg. 31232 (Jul. 14, 2025)). The comment was a joint effort between city hall, several agencies, and the law department. In sum, the HHS Notice would restrict non-citizen access to critical federally funded programs. As the City's comment explains, the HHS Notice, "would disrupt the City's ability to provide necessary services to NYC residents" and points out that "This new interpretation could require the application of immigration status eligibility criteria to over a dozen programs that have never been subject to such criteria in the nearly 30 years since PRWORA was enacted."

NYS Attorney General Letitia James and 20 other state attorneys general have brought suit to stop the federal administration's reinterpretation of PRWORA. This 21 states' suit to stop the

reinterpretation of PRWORA will impact the ultimate policy landscape and programs serving our immigrant communities.

PRWORA allows states to pass legislation to allow spending of State and local resources for programs that serve individuals regardless of immigration status. Although there is still substantial uncertainty given ongoing litigation, we anticipate that some version of authorizing state legislation will be critical to sustain New York State and NYC programs going forward. We look forward to working with our State legislative colleagues when they are back in session.

It is premature to provide comprehensive analysis of the consequences as the governing regulations have not all been provided to us yet and ongoing litigation could further change the shape of the policies the federal government is attempting to advance. The imposition of new eligibility requirements for programs like foster care placement prevention, Head Start, and substance abuse recovery services would have a far-reaching impact on the City's operations. Such a policy would not only prevent ineligible non-citizens from accessing services but would also make it more difficult for U.S. citizens and eligible non-citizens to receive important benefits.

Ongoing Advocacy & Aiming for NYC-NYS Partnership

Given those uncertainties, it is critical that we continue to partner with like-minded colleagues in government, peers in benefits administration, community-based organizations, and concerned New Yorkers to advance a perspective on benefits administration that recognizes the vulnerability of the clients we serve.

DSS will remain engaged in the federal notice-and-comment rulemaking process to present a client-centered, conscientious social services administrator perspective on the rules relevant federal agencies propose (including the US Departments of Justice, Agriculture, Housing and Urban Development, and Health and Human Services).

DSS will continue to press Albany legislators and policymakers to authorize the use of State and local funds to allow NYC and NYS to continue to provide services to those impacted by EO 14218 and the Justice Department's reinterpretation of PRWORA. We will also work with our NYS colleagues to manage federally imposed changes to benefits like those impacting ABAWD eligibility. The federal government is still working to issue guidance to states on those changes established by H.R. 1.

Going forward, DSS will continue to proactively communicate with clients, both directly and through provider partners. Building client understanding of new deadlines and requirements is critical to their being able to successfully navigate benefits program changes.

Office of Federal Legislative Affairs

The NYC Office of Federal Legislative Affairs (FLA) serves as the City's direct liaison to the U.S. Congress, the White House, and federal agencies. We are responsible for monitoring and

analyzing federal legislative, budgetary, and regulatory activity that could impact the City's budget and operations. We want to begin by clarifying recent federal actions.

The proposed federal actions and cuts described earlier in this testimony threaten programs that support the City's core services, introducing uncertainty around federal grant flows. While no clear guidance has been issued by federal agencies that would allow us to make detailed projections about specific cuts, our office continues to maintain ongoing coordination calls with City agencies to assess emerging threats to federal funding. We are also in regular contact with our congressional delegation to remain current on shifts in appropriations, reconciliation efforts, or administrative action. Additionally, as other communities across the nation grapple with similar federal funding cuts, our team has worked with other cities to identify solutions, share strategies, and present a united voice as we advocate for the support needed to keep our cities safe, healthy, and thriving.

We will continue to remain informed, alert, and ready to act with a deep commitment to protecting NYC's interests.

Legislation

Thank you for providing the opportunity to submit testimony for the record on Introduction ("Int.") 1364, sponsored by Council Member Lincoln Restler, related to requiring a monthly reporting by the director of management and budget on the status of all federal funding; Int. 1225, sponsored by Council Member Julie Menin, related to establishing an office of the census; and Int. 1325, sponsored by Deputy Speaker Diana Ayala and Council Member Crystal Hudson, related to limiting the household rent contribution for recipients of a rental assistance voucher.

1. Int. 1364 (Restler) - Related to monthly reporting by the director of management and budget on the status of all federal funding.

This legislation would amend the City's administrative code to require the director of management and budget to submit to the Mayor, the Speaker of the Council, and the chair of the relevant committee a report pursuant a list of enumerated items in the statute regarding the status of federal funding to the City, City agencies, and not-for-profit corporations.

The administration shares the Council's commitment to budget transparency. We publish numerous documents each fiscal year that provide a detailed analysis of the city's fiscal status, with volumes that are specifically devoted to revenues (including funding by grant source). Further, the state and federal governments also collect and publish responsive data. Accordingly, we feel that the legislation should be reconsidered to account for information that is readily available.

Int. 1364 would require the Mayor's Office of Management and Budget (OMB) to submit monthly reports on the status of federal funding streams, including federal funds that flow through New York State. The legislation would also require OMB to identify not-for-profit organizations that receive any level of federal funds from the city and provide an account as to whether the nonprofits have spent the associated federal funds and received reimbursement.

Lastly, the legislation requires OMB to indicate whether a specific federal funding stream is subject to the US Department of Housing and Urban Development's Section 3 requirements on the utilization of low- and moderate-income workers, and to detail the number of relevant hours worked.

Much of the information that is required by Int. 1364 is already published by the city and other entities. OMB partners with city agencies to incorporate federal revenue projections into the financial plans that are issued four times per fiscal year. Each plan outlines the federal grant, the anticipated dollar value, and city agency that will receive the award. The city and state comptrollers also publish detailed information on their "Checkbook NYC" and "Open Book New York" websites that are specifically designed to provide transparency around New York City contracting and spending

Additionally, the Federal Funding Accountability and Transparency Act of 2006 requires the city to report monthly on subawards of federal funds, including subawards allocations to nonprofits, of more than \$30,000 that are published by the federal government.

Furthermore, OMB and city agencies already work with HUD to accurately account for the number of applicable hours worked by low- and moderate-income workers. Because this requires a substantial amount of data entry and validation, HUD mandates reporting on a less frequent basis than required by this legislation. The city does not currently have a digital system to collect this information, so it would require significant data entry and validation. Compelling intermediate reporting would further complicate those Section 3 accounting efforts.

Finally, we share the concern expressed by Councilmember Brannan that in the current political climate, oversharing information about federal grant funding could encourage and incentivize scrutiny that might jeopardize funding for critical programs.

2. Int. 1225 (Menin): Related to establishing an office of the census

This legislation would establish an office of the census, which would be tasked with maximizing local participation in the federal decennial census.

The Administration agrees with the intent of this legislation. We look forward to working with the Council to discuss the details of the bill.

3. Int. 1372 (Ayala, Hudson): Related to limiting the household rent contribution for recipients of a rental assistance voucher

This legislation would require that the rent contribution for CityFHEPS recipients not exceed 30% of the household's total monthly income, regardless of whether the household receives public assistance or has earned income.

DSS and this Administration at large remain unequivocally committed to connecting New Yorkers to permanent housing and keeping them stably housed. DSS opposes the Council moving forward with this introduction given the recently adopted CityFHEPS and pathway

Home Rule Amendments (effective date September 13, 2025). DSS crafted the rule change on CityFHEPS to be at once sensitive to the need to serve vulnerable populations and bolster CityFHEPS' sustainability.

Since its inception in 2018, CityFHEPS has grown to become the second largest rental subsidy program in the nation, behind only NYCHA's Section 8 program. The budget for the program has increased from approximately \$253 million in fiscal year 2021 to approximately \$1.25 billion in fiscal year 2025. That represents a fivefold increase in spending in the space of four years (CityFHEPS Funding FY21-FY25: FY21: \$253 million; FY22: \$340 million; FY23: \$508 million; FY24: \$833 million; FY25: \$1.25 billion).

DSS, with our OMB partners, is strategically pursuing a variety of measures to manage the cost of the CityFHEPS program. It is important we continue to think about responsible financial management so that CityFHEPS can continue to serve as a lifeline going forward.

The rule change amends the baseline household contribution from 30% of the household's monthly income to 40% of the household's monthly income specifically for those renewing CityFHEPS at year six (after the five-year standard term of the voucher) who have employment income; the rule excludes households on SSI and/or with a family member over the age of 60.

This CityFHEPS rule change takes place in a context where the Adams administration has taken important steps to reduce administrative burdens and strengthen access by implementing wide ranging reforms to CityFHEPS, including:

- Eliminating the 90-day length-of-stay requirement for New Yorkers in shelter to be eligible for CityFHEPS.
- Expanding CityFHEPS eligibility to include single adults working full-time on minimum wage, even if their income is slightly higher than 200 percent of the federal poverty level
- Supporting working families by reducing the number of hours families are required to work to become eligible for CityFHEPS from 30 to 10 hours per week
- Expanding Supplemental Security Income eligibility for CityFHEPS families from an adult in the household to any household member
- Leveraging CityFHEPS to create deeply affordable housing through the Affordable Housing Services (AHS) program, which helps nonprofits purchase (30-year project-based contracts) or enter long-term, building-wide leases (9-year tenant-based contracts) to create deeply affordable housing leveraging social services dollars — locking in long-term affordability with strong tenant protections for CityFHEPS voucher holders.

That broader context also includes launching innovative pilot programs around direct cash assistance, pregnant individuals experiencing homelessness or at risk of experiencing homelessness, and ongoing participation in the New York State Rental Supplement Program. Given the administration's ongoing commitment to keeping New Yorkers stably housed and the need to bend the CityFHEPS cost curve to ensure the program's sustainability, DSS believes the Council should not move forward with this introduction.

Conclusion

Whenever federal funding has been reduced, we have taken decisive action, from partnering or advocating directly with federal officials and policymakers to submitting sworn statements, to ensure the City receives the dollars it needs to deliver the critical programs this City depends on. We urge the Council to join us in advocating to Congress and the State to protect SNAP, Medicaid, housing supports, and immigrant access to critical services — because without them, New Yorkers will face greater hunger, homelessness, and ill health. We appreciate the opportunity to share this testimony and look forward to working with the Council to protect New Yorkers from the harmful effects of federal budget cuts.