

**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 2026 Preliminary Budget Hearing
March 17, 2025**

Good morning. I want to thank Deputy Speaker Ayala and the members of the General Welfare Committee for holding today's hearing and for the opportunity to testify about the Department of Social Services' (DSS) Fiscal Year (FY) 2026 Preliminary 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 we will provide an overview of the FY 26 preliminary 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 everyday. 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, we will provide an overview of the projected DSS/HRA budget for FY25.

(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 12,000. The FY25 budget for DSS/HRA is \$13.3 billion, including \$10.4 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 64% 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, 15% goes to Public Assistance, 11% to rental assistance and homeless prevention, 3% for Administration, 2% for legal services, and 1% each for HASA, Employment Services, the Community Food Connection (CFC), and Domestic Violence Services (DV). 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 we will provide an overview of the projected DHS budget for FY25.

(Slide 7) 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 \$4B, of which \$2.5B is city tax levy and headcount of 1,929; and with its not-for-profit partners, is the largest municipal organization dedicated to addressing homelessness in the United States. (FY24 budget is \$3.9B; \$2.4B city). Over 98% 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 FY26: \$1.1B for family shelter (42%);

\$813M for adult shelter(44%); \$405M for street outreach services (12%); and the remaining 2% is for Administration.

(Slide 8) As of March 1st, the overall DHS census is 84,604 an increase of 41,000 since the beginning of 2022, before the surge in special population asylum seekers to NYC. Of that 84K approximately 58,500 (almost 70%) are families made up of children (31,234) and their adult parents and caregivers (27,272); and children make up 36% of all the people in shelter. The remaining population are made up of single adult men (16,263), single adult women (5,619), and adult families(4,216).

(Slide 9) Today, approximately 33% of the overall census is made up of special population asylum seekers – over 28,000 people. In January 2022, the census was around 45,000 – lower than in 2020 (pre-pandemic). During the pandemic there was a decline in shelter entries – at the same time DHS continued to make permanent housing placements leading to a decline in the census. As the special population asylum seekers came to NYC and began to enter shelter in large numbers, they drove the census increase over the past nearly three years – and the special population asylum seekers account for 75% of the growth in the DHS census, comparing today to January of 2022.

The non-asylum seeker census remains below pre-pandemic levels; the combination of the public health advisory, pandemic financial supports and ongoing DSS prevention strategies and permanent housing placements from shelter led to census declines during the pandemic before the migrant surge. The non-asylum census is about 9% below the pre-pandemic level and below the pre-pandemic peak of 61,400 reached in January of 2019.

(Slide 10) It would be irresponsible of me not to focus some of this presentation on the threats to federal funding currently being contemplated by Congress. 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, as demand for services increases.

(Slide 11) This slide highlights some examples of real impact proposed federal cuts will have on New Yorkers. The House Plan could eliminate \$230B from Agriculture Committee – primarily impacting SNAP (1.8M NYers rely on SNAP). The House Plan targets reduction of \$880B from Energy and Commerce Committee – this reduction is anticipated to come from Medicaid Cuts (more than 4M NYers rely on Medicaid for Health Care). The House Plan contemplates eliminating TANF Contingency Funds

which would represent a reduction of ~\$290M from NYS (FY25 590 NYers relied on Cash Assistance to support housing stability). The House Plan contemplates elimination of the Social Service Block Grant (72K NYers rely on APS and DVS services). All of these are vital programs that the City and State would not have the budget capacity to replace funding.

Since the start of this administration, DSS-DHS has aggressively expanded low-barrier bed capacity (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. An additional 691 low barrier beds will be brought online this calendar year with 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 2,800 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 xxx New Yorkers have been connected to shelter. DSS-DHS has doubled outreach staffing (nearly 400 outreach staff as of today)

(Slide 12) Now I would like to revisit the three pillars discussed at the onset of our presentation and focus on the first pillar of DSS' focus on streamlining social services.

(Slide 13) First, I'd like to acknowledge that we saw the highest SNAP applications (36K) and caseload (1.8M) since the period after superstorm Sandy. This surge was partially due to our investment in AccessHRA, which created and more streamlined access for clients to apply, recertify and interview on-line and on phone. The improvements also helped us manage the surge and to ensure clients got these important benefits.

(Slide 14) The FY25 preliminary budget for Cash Assistance (CA) is \$2.57B to support an average of 590,000 recipients through June 2025. \$920M (\$468M CTL) was added in the preliminary budget for FY25 (only) projected costs. The corresponding slide shows both one-time and recurring recipients. In February there were 584,000 on-going and 5,500 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 55,000 households.

(Slide 15) Along with SNAP and CA, DSS/HRA continues to support NYers with other key benefits including: Outreach Campaign to remind Medicaid clients of changes to the renewal rules and the urgency of submitting renewal applications to avoid any interruption to coverage. In collaboration with the Council, we expanded Fair Fairs eligibility to 145% FPL and encourage eligible NYers to submit for benefits as soon as possible. And, in collaboration with the State, DSS/HRA helped provide access to HEAP benefits.

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

(Slide 17) DSS remains committed to connecting New Yorkers to permanent housing. We have made significant strides over the past year by strengthening our rental assistance programs and using social services dollars to create more affordable housing. As a result, DSS has seen record breaking increases in the number of permanent housing placements (subsidized and unsubsidized) over the past year. For example: In CY24 more than 10,200 households (nearly 22,000 NYers) moved out of shelter into permanent housing placements using CityFHEPS, a 56% increase compared to CY23. Nearly 15,000 households comprised of more than 31,000 New Yorkers 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. Last year, DSS announced the launch of the Affordable Housing Services (AHS) initiative to create 1,500 affordable housing units for CityFHEPS voucher holders exiting shelter. 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. The six closed AHS sites include: Riseboro - Baisley Pond (aka JFK Hilton) at 144-02 135th Avenue, QN; Fortune Society: 258 West 97th Street, MN; MBD: 2468 Tiebout, BX; DOE Fund: 2736 Creston Ave, BX; VIP: 720 East 216th Street, BX; and VIP: White Plains Road, BX

(Slide 18) Since the start of this administration, DSS-DHS has aggressively expanded low-barrier bed capacity (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. An additional 691 low barrier beds will be brought online this calendar year with 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 2,800 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 8,300 New Yorkers have been connected to shelter. DSS-DHS has also doubled outreach staffing (nearly 400 outreach staff as of today) to support referrals to low barrier shelter.

(Slide 19) DSS is consistently looking for way to impact the lives of the City's most vulnerable. With over 2000 babies born in shelter in FY24, there is no bigger way to impact a child's first days on this earth than to be born into a stable home. To support this mission, DSS will embark on CRIB, a Pilot to study the impact of housing stability on the newest of New Yorkers by providing expecting mothers housing support to avoid entering shelter. DSS is in the midst of drafting the rule change necessary to advance with this study. We expect the Pilot to commence this summer.

(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. 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) The Pathways for Access to Careers and Employment (PACE) contract begins in October 2025 using centralized "no wrong door" program model with locations throughout the boroughs. The program will 1) streamline and minimize travel burden, and maximize access to all employment and support services, and fosters 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. And 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.



Department of
Social Services

Human Resources
Administration

Department of
Homeless Services

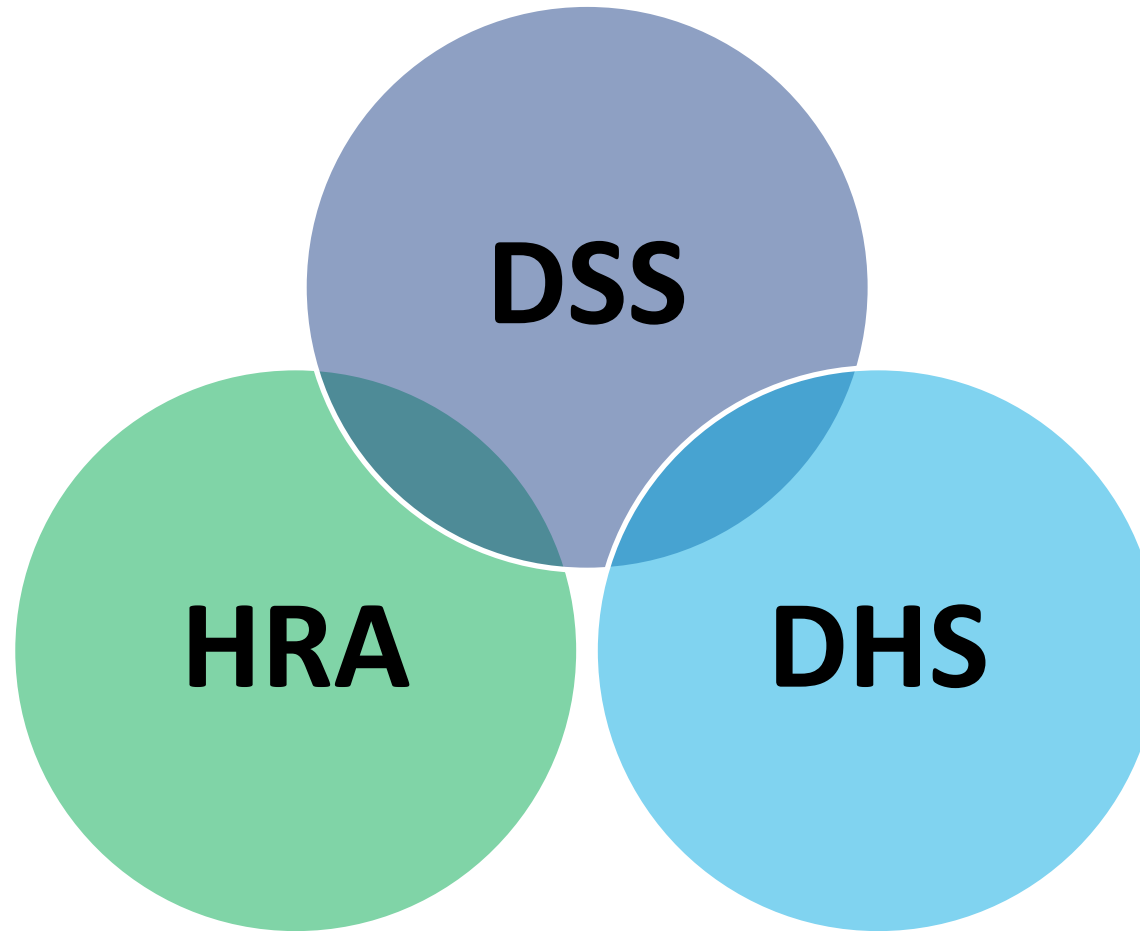
Fiscal 2026 Preliminary Budget Testimony

Commissioner Molly Wasow Park

March 17, 2025

Agenda

- INTRODUCTION
- DSS/HRA BUDGET
- DHS BUDGET
- FEDERAL IMPACT
- PROGRAMS AND SERVICES



**Streamlining Access to
Social Services**

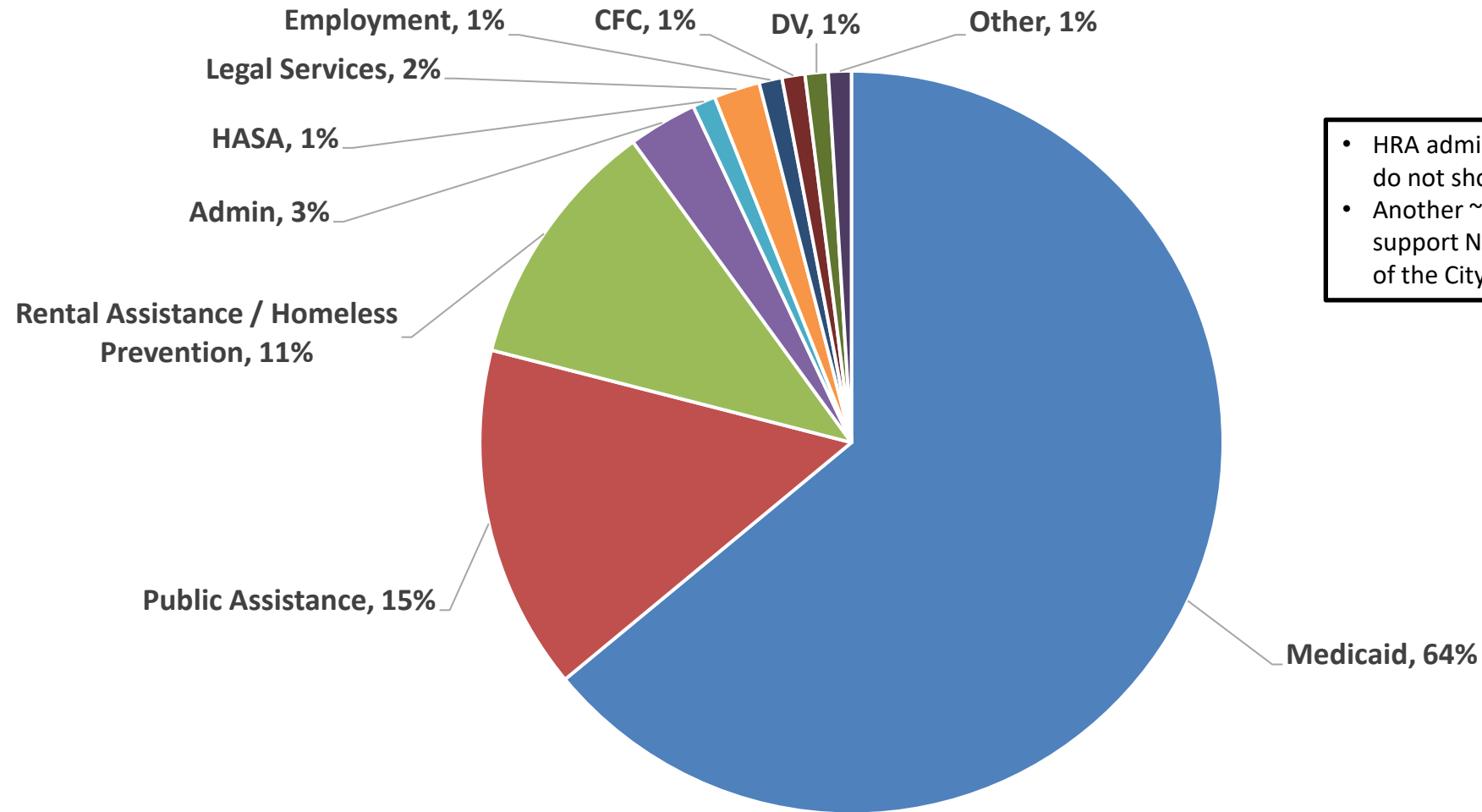
**Addressing Homelessness and
Housing Instability**

**Creating Economic
Stability**

An aerial photograph of the New York City skyline during the 'golden hour' of sunset. The Empire State Building stands prominently in the center, its spire reaching towards the sky. To its right, the Freedom Tower is visible in the distance. The city is a dense collection of skyscrapers and buildings, with the Hudson River and New York Harbor visible in the background. The sky is a mix of orange, yellow, and light blue. A dark blue semi-transparent banner is overlaid on the right side of the image.

DSS/HRA Budget

ALMOST 97% OF THE DSS/HRA CITY FUNDED BUDGET PROVIDES DIRECT BENEFITS AND SUPPORT TO NEW YORKERS

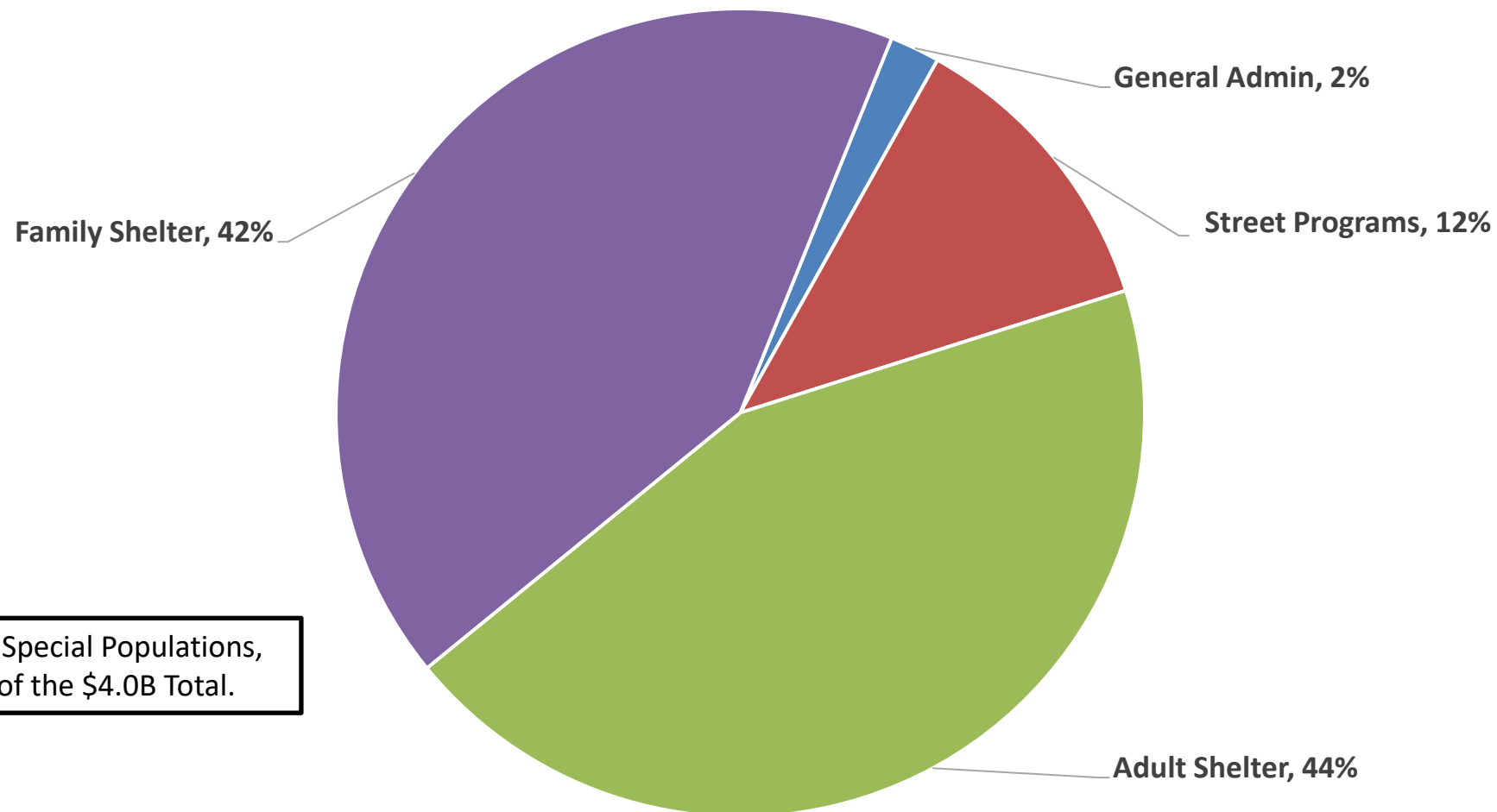


- HRA administers \$5.0B in SNAP benefits that do not show up in the City Budget.
- Another ~ \$48B in State and federal funds support NYC Medicaid clients but aren't part of the City budget.

An aerial photograph of the New York City skyline during the 'golden hour' of sunset. The Empire State Building stands prominently in the center, its spire reaching towards the sky. To its right, the Freedom Tower is visible in the distance. The city is a dense collection of skyscrapers and buildings, with the Hudson River and New York Harbor visible in the background. The sky is a mix of orange, yellow, and light blue. A dark blue, semi-transparent rectangular box is overlaid on the right side of the image, containing the text 'DHS Budget' in white.

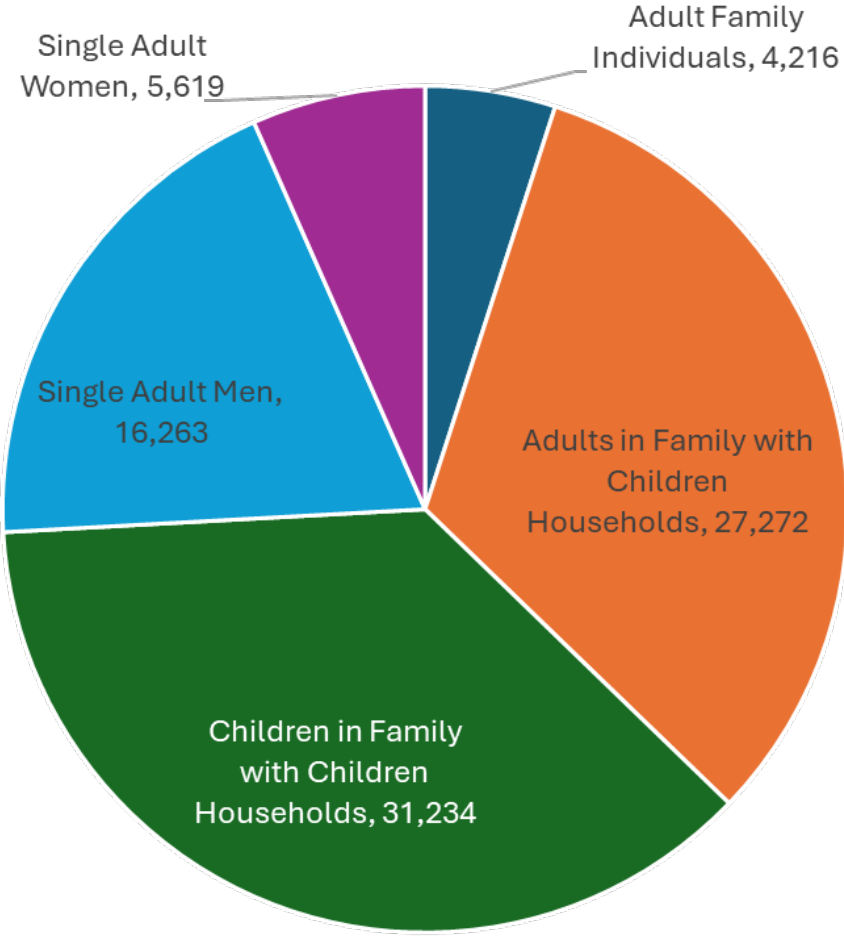
DHS Budget

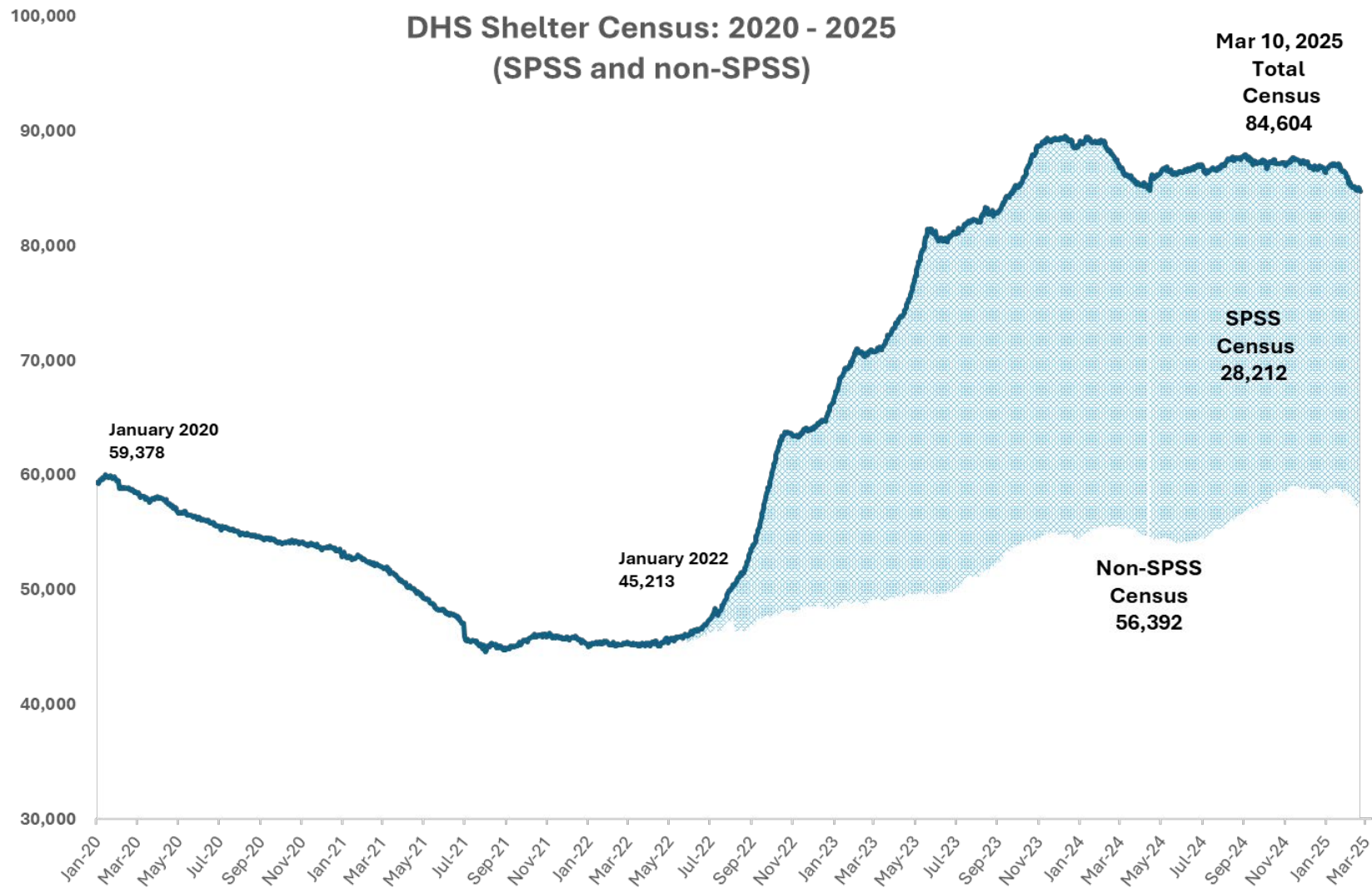
98% OF THE DHS BUDGET* SUPPORTS SHELTER AND STREET OUTREACH SERVICES



*Excludes funds for Special Populations, representing \$1.2B of the \$4.0B Total.

DHS Shelter by Population (Individuals) March 2025





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Federal Budget Impact on DSS

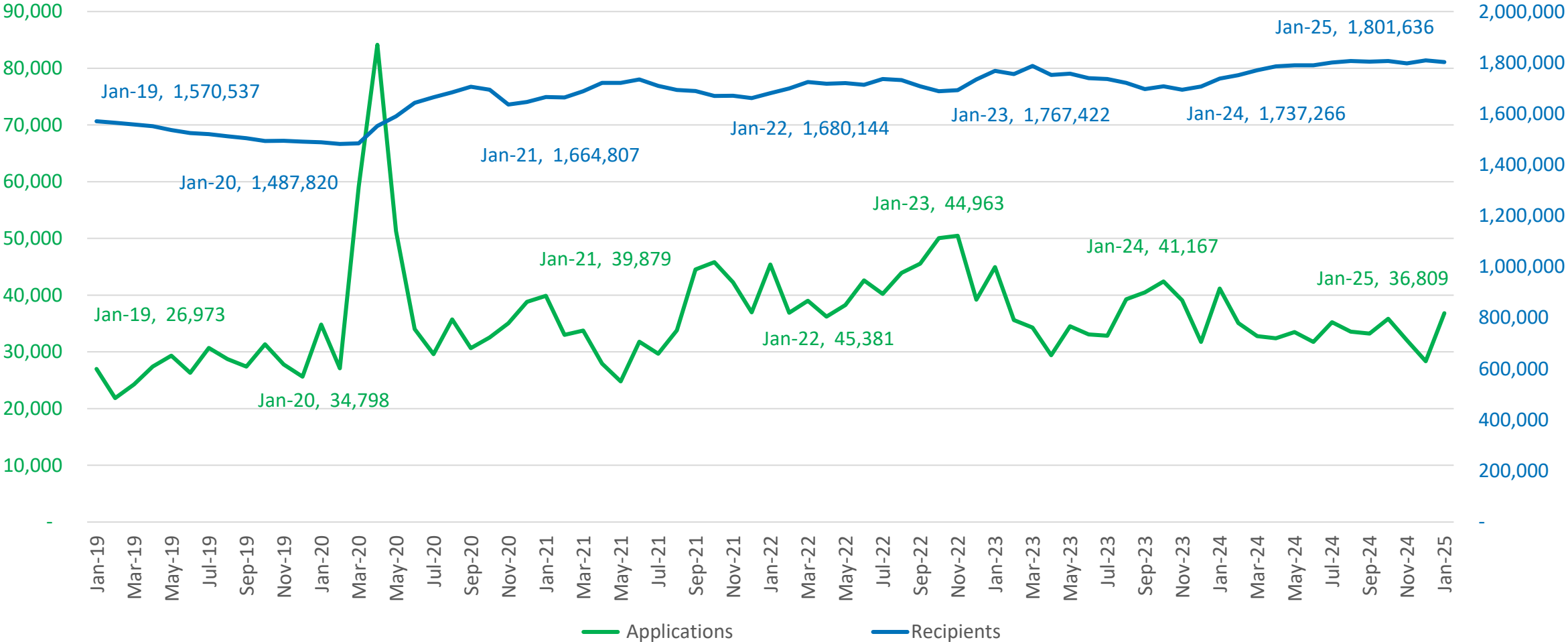
DSS Serving More New Yorkers As Federal Resources Are Threatened

- House Plan could eliminate \$230B from Agriculture Committee – primarily impacting SNAP (1.8M NYCers rely on SNAP)
- House Plan targets reduction of \$880B from Energy and Commerce Committee – reduction is anticipated to come from Medicaid Cuts (4M NYSers rely on Medicaid for Health Care)
- House Plan contemplates eliminating TANF Contingency Funds which would represent a reduction of ~\$290M from NYS (FY25 590K NYCers relied on Cash Assistance to support housing stability)
- House Plan contemplates elimination of the Social Service Block Grant (72K NYCers rely on APS and DVS services)

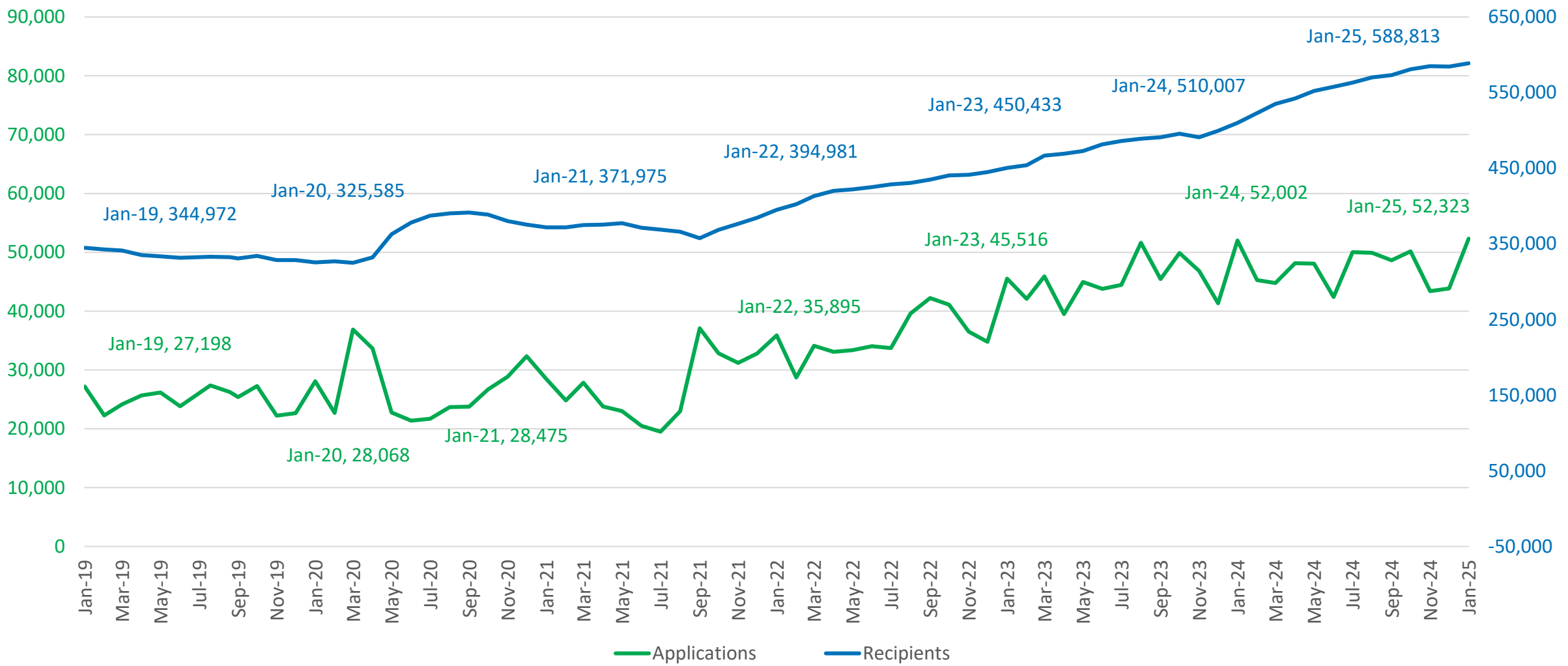
An aerial photograph of the New York City skyline during the 'golden hour' of sunset. The Empire State Building stands prominently in the center, its spire reaching towards the sky. The surrounding city is a dense collection of skyscrapers and buildings, their windows reflecting the warm light. In the background, the Hudson River and the New York Harbor are visible, with the distant city of New Jersey on the horizon. The sky is a mix of soft orange, yellow, and pale blue.

Streamlining Access to Social Services

SNAP CASELOAD CONTINUES TO INCREASE



CASH ASSISTANCE APPLICATIONS AND CASELOAD HAVE INCREASED



SUPPORTING AND EXPANDING OTHER KEY BENEFITS

- ✓ To comply with federal requirements, HRA has done extensive outreach to ensure clients on Medicaid renew their applications to maintain eligibility.
- ✓ Raised the income limit for Fair Fares eligibility to 145% of Federal Poverty Level. NYers are encouraged to apply now.
- ✓ Providing nearly a million Heating and Cooling assistance grants.

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Addressing Homelessness and Housing Instability

Affordable Housing Accomplishments

- In CY24, DSS saw a **56% increase** in the number of households exiting shelter into permanent housing using CityFHEPS compared to CY23.
- Nearly 15,000 households comprised of more than 31,000 New Yorkers were able to obtain permanent housing or stay in their homes using CityFHEPS vouchers in CY24, reflecting a **43% increase** year over year.
- Through Homebase, 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 to help them stay stably-housed.
- Since the launch of the Affordable Housing Services program, more than 450 apartments across six high-quality affordable housing sites have opened in the Bronx and Brooklyn, and over 500 apartments are in the pipeline.

Street Homeless Solutions: Services for Unsheltered

\$106M Investment in Expansion of low barrier beds to 4,900 (900 new)

Nearly 3,000 permanent placements from low-barrier beds in Adams Administration

Over 8,300 referrals to low-barrier and shelter beds through the Subway Safety Plan

Over 400 outreach staff

Creating Real Impact at Birth - CRIB

- In FY24 over 2,000 babies were born into shelter.
- The CRIB Pilot will study the impact of providing a housing subsidy (CityFHEPS) to expecting mothers to avoid entering shelter
- DSS will pursue the rule change necessary to launch CRIB this summer

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Creating Economic Stability

DSS/HRA/DHS WORK TOGETHER TO OFFER SERVICES THAT MOVE NEW YORKERS TO SUSTAINABLE FUTURES

In CY2024, HRA helped 15,577 clients secure employment, an 89% increase over CY2023's 8,252 job placements

- In FY24, HireNYC broke the human service provider record by hiring 8,197 PA clients (2,515 more than in FY23).
- In FY25 year to date, 4,782 clients have been hired

The Pathways to Industrial and Construction Careers (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

DSS/HRA/DHS WORK TOGETHER TO OFFER SERVICES THAT MOVE NEW YORKERS TO SUSTAINABLE FUTURES

Pathways for Access to Careers and Employment (PACE) contract begins 10/1/2025; uses centralized "no wrong door" program model with locations throughout the boroughs

- Streamlining minimizes travel burden, maximizes access to all employment and support services, and fosters stronger client/staff relationships
- Establishes an in-demand occupation & sector focused approach that connects clients to skilled professions that offer families sustaining wages
- Utilizes labor market data to assist clients in gaining marketable skills for success and advancement in their careers
- Streamlines processes for vendors by offering a hybrid approach to engaging clients

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THANK YOU