



**Testimony of Erin Dalton, Commissioner  
New York City Department of Social Services**

**Before the New York City Council, Committee on General Welfare  
Department of Social Services Fiscal Year 2027 Preliminary Budget Hearing  
March 17, 2026**

Good morning. I want to thank Chairperson Hudson 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) 2027 Preliminary Budget.

My name is Erin Dalton, 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, HRA Administrator Scott French and DHS Interim Administrator Christine Fellini, as well as DSS Chief Program Performance and Financial Officer, Richard Johns and DSS Chief Strategy Officer Chris Gonzalez. Collectively we represent the approximately 14,000 hardworking staff who dedicate their lives to supporting New Yorkers living at or below the poverty line.

Before I begin, I would like to share my excitement and gratitude in assuming the position as Commissioner of DSS. In my former post as Director of Allegheny County, Pennsylvania's Department of Human Services, I was laser focused on strengthening families and communities through the broad network of community-based programs that prevent harm and address critical needs in housing and homelessness, senior services, child welfare, behavioral health, and developmental supports. I look forward to working in partnership with Speaker Menin, Chair Hudson, and the rest of the City Council to deliver vital benefits and services to the City's most vulnerable populations.

Today I will provide an overview of the FY27 preliminary budgets for both agencies, and highlight the programs and services supported by those resources.

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). The consolidated management structure and the shared mission of DSS, HRA and DHS provides an integrated continuum of client services to approximately 3 million New Yorkers every day. Our efforts to create a path to financial and social 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 testimony.

I will begin by providing an overview of the DSS/HRA and DHS FY27 preliminary budgets.

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DSS/HRA is dedicated to fighting poverty and income inequality, providing essential benefits including cash assistance, nutrition and food programs, public health insurance, employment and transportation services, as well as access to housing, homelessness prevention and emergency assistance. DSS/HRA helps more than three million New Yorkers annually through the administration of more than 15 major public benefit programs, with a budgeted headcount of approximately 12,500.

The FY26 budget for DSS/HRA is \$14.2 billion, including \$11.3 billion in City funds. The majority (over 70%) of the HRA City funds budget is earmarked for benefits that the City administers on behalf of New York State. Almost 98% 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 and is also administered by the State. The City pays a portion of Medicaid costs out of City funds representing 56% of the DSS/HRA city funded budget. DSS/HRA sends these funds directly to the State to be used along with other State and federal funds to pay medical providers and managed care plans; and 3) of the remainder, 16% goes to Public Assistance, 17% to rental assistance and homeless prevention, 2% for Administration, 3% for legal services, and 2% for HIV/Aids Services Administration (HASA), and 1% each for Employment Services, the Community Food Connection (CFC), and Domestic Violence Services (DVS). HRA also administers the Supplemental Nutrition Assistance Program (SNAP) for 1.7M clients. These

federally funded benefits (about \$5 billion 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 over \$50 billion 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.

Now I will provide an overview of the DHS budget. DHS is committed to providing safe temporary shelter, connecting New Yorkers experiencing homelessness to permanent housing, and addressing unsheltered homelessness. DHS has an FY26 budget of \$4.4 billion, of which \$3.5 billion is City funds. The agency has a headcount of approximately 2,200; and with its not-for-profit partners, it is the largest municipal organization dedicated to addressing homelessness in the United States. Almost 97% of the DHS budget supports shelter for families, individuals, and services for the unsheltered, including outreach and low-barrier beds. The DHS budget is broken out as follows in FY26: \$1.39 billion for adult shelter (43%); \$1.27 billion for family shelter (39%); \$456 million for street outreach services (14%); and the remaining 4% is for general administration.

In the FY27 Preliminary Budget, this Administration is continuing to make investments in our critical programs with over \$3.1 billion added in baselined funding, including for the CityFHEPS rental assistance program, cash assistance, DHS shelters, food assistance programs, Affordable Housing Services (AHS), additional services to support New Yorkers experiencing street homelessness, and support for our non-profit providers.

As I have highlighted in my testimony, DSS, HRA and DHS budgets are significantly reliant on federal dollars, but more importantly the 3 million people we serve receive significant benefits from the federal government.

Enacted in July of 2025, the federal budget reconciliation bill known as H.R.1 significantly changed both SNAP and Medicaid in ways that will directly affect New York City residents who rely on these programs to meet basic needs. The law expands work requirements for SNAP and Medicaid, increases administrative reporting requirements, and reduces federal funding while shifting more costs to states. As a result, many eligible individuals may lose access to food assistance or health coverage due to stricter eligibility rules or paperwork barriers rather than changes in income or need. For a city like New York, where millions rely on SNAP to afford groceries and depend on Medicaid for health care, these changes will

increase food insecurity, lead to loss of health coverage, and place additional strain on local safety-net providers such as hospitals, community health centers, and food banks.

Under H.R.1, the definition of Able-Bodied Adults Without Dependents (ABAWDs) in SNAP expanded from ages 18–54 to ages 18–64 and now applies to adults without a child under age 14 (previously under 18). The law also removed several exemptions, including for veterans, people experiencing homelessness, and young adults who aged out of foster care. ABAWDs must complete at least 80 hours per month of work, job training, or volunteer activity to receive SNAP for more than three months in a three-year period.

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New York had a statewide waiver from ABAWD time limits for many years, but that waiver expired February 28, 2026. The new rules took effect March 1, 2026, when ABAWDs in NYC began needing to meet the 80-hour monthly work requirement. The three-month time-limit clock began in March 2026, meaning individuals who do not meet the requirement could start losing SNAP benefits in June 2026 after using their three allowable months.

Since the passage of H.R.1, DSS-HRA have embarked on an aggressive outreach campaign to raise awareness of the impending impact of these new ABAWD rules on SNAP recipients in NYC. Along with repeated direct outreach to the almost 120,000 identified ABAWD clients, we have conducted dozens of information seminars and trainings to community organizations and partners including elected officials. We have also amplified awareness through a variety of public media outlets to ensure clients have ample opportunity to connect with us to mitigate any impacts of the new eligibility criteria on SNAP recipients. If you or anyone you know is a SNAP recipient and has not yet engaged with HRA, please encourage them to connect with us immediately through AccessHRA.

Turning to Cash Assistance in the preliminary budget, the FY26 budget for Cash Assistance is \$2.76 billion to support a caseload of 595,000 recipients through June 2025. HRA issued emergency rent payments to over 52,000 households in FY25. Along with SNAP and CA, DSS/HRA continues to support New Yorkers with other key benefits including, but certainly not limited to, Medicaid, Fair Fares, and HEAP.

With regard to Medicaid, I cannot stress enough that automatic Medicaid extensions have ended. Clients must recertify in order to keep their health insurance. We are working to ensure that everyone who remains eligible for Medicaid receives ongoing benefits. Please continue to remind all your eligible constituents to renew.

In collaboration with the Council, we expanded Fair Fares eligibility to 150% FPL in 2025. There are currently 389,400 New Yorkers enrolled in the Fair Fares program. Please continue to encourage eligible New Yorkers to submit for benefits as soon as possible.

With regard to HEAP, DSS continues its collaboration with the State, to provide heating and cooling benefits to New Yorkers. In 2025 over 900,000 New York City households received HEAP heating and/or cooling benefits.

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

First, I would like to provide a quick update on our DHS shelter population. As of March 6th, the overall DHS census was 85,471. Of the 85K, approximately 55,000 (almost 65%) are families made up of children (29,922) and their adult parents and caregivers (25,670) and children make up 35% (or more than one third) of all the people in shelter. The remaining population are made up of single adult men (18,224) single adult women (7,001), and adult families (4,906).

In New York City, 97% of people experiencing homelessness are sheltered, but that remaining 3% is an area of particular focus. DSS-DHS continues to aggressively expand low-barrier bed capacity, which are shelter types targeted to those experiencing unsheltered homelessness (Safe Havens and stabilization beds). As of March 2026, DHS has a total of 4,290 low barrier beds online. 300 of which Mayor Mamdani accelerated to be available during the recent cold snap. We expect an additional 350 safe haven beds to come online before the end of the year.

In conjunction with these low barrier bed contributions, on February 18, Mayor Mamdani announced a revised unhoused encampment response policy that shifts primary responsibility for encampment engagement for those experiencing unsheltered homelessness from NYPD to the Department of Homeless Services (DHS). Under the new protocol, DHS is now the lead agency responsible for issuing notices, conducting outreach, and offering placements, with DSNY conducting cleanings after a seven-day notice period and NYPD present only as needed for safety support.

The policy emphasizes daily outreach during the seven-day notice period, with DHS teams returning consistently to offer shelter placements, Safe Haven beds, and connections to services. The Administration has committed approximately \$30 million in baseline funding for DHS outreach expansion and \$11.9 million for NYC Health + Hospitals to support increased street medicine and behavioral health engagement. This includes 66 additional DHS staff (primarily outreach workers), expanded Street Health Outreach & Wellness (SHOW) units, and an additional Bridge to Home site for individuals with serious mental illness.

DSS remains committed to connecting New Yorkers to permanent housing and keeping them stably housed. DSS has seen record breaking increases in the number of permanent housing placements. In CY25 nearly 17,000 households comprised of nearly 36,000 New Yorkers were able to obtain permanent housing or stay in their homes using CityFHEPS vouchers, reflecting a 17% increase year over year. Through our Homebase homelessness prevention services, in CY25, more than 20,000 households (~52,000 New Yorkers) remained in their homes, and more than 13,000 households (~33,000 New Yorkers) received aftercare services from Homebase to help them stay stably-housed.

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, DSS-HRA career services and other supports enable New Yorkers to secure steady income and live sustainable lives.

A good-paying job is a key component to a stable, economically independent life, and DSS-HRA offers a wide array of career services programs to help low-income New Yorkers find and obtain a career that works for them. In FY25, the agency's career services program continued to raise the bar, helping nearly 22,000 low-income New Yorkers obtain employment in Fiscal Year 2025 (FY25) an increase of over 170% compared to FY24 and the most since the onset of the COVID-19 pandemic. Additionally, nearly 10,500 public benefits recipients were connected to employment through DSS-HRA's BusinessLink HireNYC program, a 28% increase over the prior fiscal year and a new record for the program.

The PINCC program, which advances training, education & job placements enrolled 2,442 individuals in construction and industrial training, with 1,330 completions thus far. We have also placed 1,089 individuals to jobs, of which over 900 were unionized positions.

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

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.