



**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 2024 Executive Budget Hearing
May 8, 2023**

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/Human Resources Administration and Department of Homeless Services (DSS) Fiscal Year (FY) 2024 Executive Budget.

My name is Molly Wasow Park. I am the Commissioner of the New York City Department of Social Services, which is made up of the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). In my capacity as Commissioner, I look forward to working to further serve the anti-poverty mission of the Department of Social Services.

I am joined by DSS First Deputy Commissioner Jill Berry, HRA Administrator Lisa Fitzpatrick, DHS Administrator Joslyn Carter, and DSS Chief Program Performance and Financial Management Officer Ellen Levine

Every day, DSS supports New Yorkers while also strengthening communities throughout the city. DSS uplifts vulnerable New Yorkers and links them to programs and services that help them more fully participate in the vibrant life of our city. The hard work and dedication of DSS frontline staff and providers makes a real difference in the lives of millions of New Yorkers, and I cannot thank them enough.

As the largest municipal social services agency in the nation, DSS/HRA helps approximately three million New Yorkers each year.

At DSS, our mission is to fight poverty and income inequality. We do this through providing essential State and federal benefits, and services that are specific and unique to New York City. Cash Assistance, the Supplemental Nutrition Assistance Program (SNAP), Medicaid, the Home Energy Assistance Program, subsidized housing and rental assistance, Fair Fares Transit Discounts, anti-eviction legal services, and many additional benefits and

programs are supports in our toolkit for helping New Yorkers. Our work to prevent homelessness, address unsheltered homelessness, and provide shelter to those who need it is a part of our legal – and more importantly moral – commitment to our fellow New Yorkers.

I will first address the Executive Budget as it relates to DSS/HRA. As of the Executive Plan, the FY23 DSS/HRA forecast is **\$11.7 billion (\$8.9 billion in City funds)** and 12,486 positions (9,799 are City funded). The FY24 plan is **\$11 billion (\$8.7 billion in City funds)** and 12,132 positions (9,458 are City funded).

In the Executive Plan, the DSS/HRA budget increased in both City and total funds in both Fiscal Years 2023 and 2024 relative to the January Plan. There was a net increase of \$363 million in total funds and \$208 million in City funds in FY23 and a net increase of \$320 million in total funds and \$334 million in City funds in FY24.

The major new needs and adjustments in the DSS/HRA budget include:

- Additional funding of \$3 million in FY23, \$5.3 million in FY24 and \$10.2 million in FY25 to provide a total of \$12 million this year and \$10 million in the following two years for the Benefits Access initiative, which supports 39 community-based organizations connecting New Yorkers to benefits and services at HRA and other agencies.
- Additional funding in FY23 through FY25 for Asylum Seeker services in HRA, including navigation center, legal and interpretation services. A total of \$25 million this year and \$28.7 million in FY24 will support these services in the agency.
- \$14 million was added in FY24 and in the outyears for master lease contracts that provide permanent housing and light touch services for families and individuals exiting the shelter system. In addition, \$250,000 was added to provide master lease housing for single parent households.

As Mayor Adams outlined and as OMB Director Jiha testified in March, responding to economic headwinds and fiscal uncertainty has real consequences for the New York City budget.

We approached the Executive Budget request for savings carefully and mindfully. I am pleased to say that we have been able to find efficiencies and savings that we believe are achievable with minimal impact on services to clients. Our savings did not reduce our headcount and DSS continues to prioritize hiring frontline staff to deliver critical services.

The DSS/HRA City savings, totaling \$38 million in FY24 and \$47.4 million in FY25, include the following initiatives:

- Consolidation of contracts providing assessment, tracking and case management of clients engaged in substance use programs outside of the Agency will save \$9 million in 2024 and out.
- Contract providers in programs throughout the agency will be provided flexibility to shift funding within their budgets to attract, incentivize and retain quality staff producing efficiency savings of \$3.0 million in 2024 and beyond.
- Re-estimate of the subsidized JTP employment program in the Parks Department and in DCAS and Sanitation will produce savings of \$9.0 million in 2023 and \$8.9 million in 2024 and beyond. Participants in these programs will be served by other HRA employment programs.
- A re-estimate of fringe benefit revenue will provide annual savings of \$18.5 million in 2025 and beyond.
- DHS client placements in HPD “Our Space” units subsidized through housing development financing will reduce annual HRA costs by \$2.7 million.
- Accruals from the phase in of work requirements, paused during the COVID-19 health emergency, will produce savings of \$8.6 million in 2024 in HRA employment related services, primarily client transportation.

Turning to DHS, the Executive Plan forecast is **\$3.5 billion (\$2.2 billion City funds)** and 1,952 positions. The FY24 plan is **\$4.1 billion (\$2.7 billion City)** and 1,923 positions. In partnership with a network of service providers, over 95% of the DHS budget is allocated for direct and contracted shelter, intake, and street outreach services.

The Executive Plan budget increased in City and total funds in both FY23 and FY24 compared to the January Plan. There was a net increase of \$479 million in total funds (\$515 million in City funds) in FY23 and a net increase of \$1.8 billion in total funds (\$1.2 billion in City funds) in FY24. Nearly the entire increase in both years was related to funding added to the shelter budget for the costs related to asylum seekers.

This unprecedented increase to the DHS budget is due primarily to \$1.78 billion in total funds and \$1.2 billion in City funds added in FY24 for the continued costs of sheltering asylum seekers. As a result, total projected costs for DHS shelter and intake increased to \$3.1 billion in FY23 and \$3.7 billion in FY24 as of the Executive budget.

We prioritize ensuring that DHS savings avoid impacting our client services or our headcount. Instead, we are providing contracted providers in programs throughout the agency with the flexibility to shift funding within their budgets to attract, incentivize, and

retain quality staff producing efficiency savings of \$36.2 million (\$29 million in City funds) in 2024 and beyond.

Asylum seekers are a key issue facing our city today and DSS has played a pivotal role in serving them. The Adams' administration's whole-of-government approach has created partnerships between DSS and the Department of Education, Health and Hospitals, the Department of Health and Mental Hygiene, NYC Emergency Management, the Department of Housing Preservation and Development, the Administration for Children's Services, the Mayor's Office of Immigrant Affairs, and with other agencies to live up to our humanitarian obligations. We have also benefited from the partnership of providers and community organizations who saw the need to assist and quickly mobilized – whether through cold weather gear drives during the winter, opening shelters, or helping meet our “new” New Yorkers at the Port Authority Bus Terminal, our collective efforts have provided crucial, human-centered supports in a moment of profound crisis.

Our capacity to provide shelter, healthcare, and other services to Asylum Seekers, many of whom have made perilous journeys, says a lot about who New Yorkers are, our core values, and the fundamental rights we stand for. I echo Mayor Adams' call for a comprehensive federal response to this crisis, a humane approach that respects the journeys of asylum seekers and supports our work to help them.

At the time of the preliminary budget, I reported that there were 21,841 asylum seekers residing in DHS shelters and that DHS had opened 94 emergency shelters since the spring of 2022. Our real-time response to the crisis continues, with 28,301 asylum seekers residing in DHS shelters as of May 4th. And now we have opened 122 emergency shelters since the spring of 2022. Since we last spoke about this in March, we have added 28 shelters.

In March, Mayor Adams released *The Road Forward: A Blueprint to Address the New York City Asylum Seeker Crisis*.¹ That blueprint offers a fuller description on the need for federal mobilization in response to this crisis impacting New York City and other jurisdictions throughout the United States. *The Road Forward* presents a policy pathway that meets the moment we are facing, offering policy recommendations like an expedited right-to-work policy, a declaration of a federal emergency to unlock additional funding, and changing the classification of asylum seekers to release resources and assistance. This moment represents both a crisis and an opportunity to demonstrate our compassion, our values, and to simply treat the most vulnerable the way we would want to be treated.

At the State level, DSS welcomes key provisions of the State Fiscal Year 2023-24 budget that recognize the significant challenges New Yorkers continue to face. We recognize the \$1 billion in State funding that will assist us in addressing the fiscal crisis that the influx of

¹ “The Road Forward: A Blueprint to Address New York City's Response to the Asylum Seeker Crisis” March, 2023 <https://www.nyc.gov/assets/home/downloads/pdf/press-releases/2023/asylum-seeker-blueprint.pdf>

asylum seekers has created. We will continue to advocate for the State and federal governments to be proactive partners to do more to assist with the migrant crisis. We ask our partners across government to take budgetary and policy steps to alleviate the burden on New York City (and other areas of the country) in providing shelter and other humanitarian aid to migrants who have fled violence and despair for a better life in this country.

While we have acknowledged the challenges – and the financial implications for the City cannot be understated – we are also tremendously proud of our staff, our providers, and our partners throughout the City. Together over the past year, we have worked tirelessly to make sure that the asylum seekers coming to us for help have received shelter and support, provided with the care and compassion that guide our mission. At the same time, we have continued to provide the core services on which so many New Yorkers depend.

We appreciate the opportunity to testify today, and we welcome any questions that you may have.

Thank you.