Human Resources Administration
Department of Homeless Services
Department of Social Services

**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 Executive Budget Hearing**
**June 4, 2026**

Good morning. I want to thank Speaker Menin, Chairperson Hudson, Chairperson Lee, members of the Committee on General Welfare, and members of the Committee on Finance for holding today's hearing and for the opportunity to testify about the Department of Social Services' (DSS) Fiscal Year (FY) 2027 Executive Budget.

My name is Erin Dalton, Commissioner of the New York City Department of Social Services. I am joined by Human Resources Administration (HRA) Administrator Scott French, Department of Homeless Services (DHS) Interim Administrator Christine Fellini, DSS First Deputy Commissioner Saratu Ghartey, DSS Chief Program Performance and Financial Officer Richard Johns, and DSS Chief Strategy Officer Chris Gonzalez. Collectively we represent approximately 12,500 hardworking staff who dedicate their lives to supporting New Yorkers living at or below the poverty line.

As I approach my first three months as Commissioner, I want to express my gratitude to the dedicated DSS, HRA, and DHS staff, as well as our nonprofit providers, advocates, community partners, and clients, who have helped me better understand the extraordinary scope and complexity of New York City's social safety net. Since stepping into this role, I have visited dozens of DHS shelters and HRA Benefits Access Centers across the five boroughs, shadowed outreach teams working with New Yorkers experiencing street homelessness, and joined staff in door-to-door outreach efforts to help SNAP recipients understand new federal work requirements and avoid losing critical benefits. These experiences have deepened my appreciation for both the challenges our clients face and the commitment of the people who serve them every day. I have spent these first months listening and learning, and while I have gained invaluable insight, I recognize there is still much more to learn. I look forward to continuing that work in partnership with all of you.

I would like to take this opportunity to express my appreciation for the conscientious leadership of the NYC Council as we engage in the challenging issues DSS addresses. I have had a chance to meet with several council members during my short tenure to hear about successes, ideas, and concerns impact your constituents. For those of you I have not engaged with directly, I look forward to future collaboration. Supporting vulnerable populations, troubleshooting on-the-ground challenges in neighborhoods as they arise, and delivering social services to New Yorkers that meet the high standards Mayor Mamdani has set out – reaching for excellence in public service delivery – those aims are consistently on my mind, in our work, and, turning to the topic at hand today, in our budget.

DSS is pleased to play a major part in pursuing the whole-of-government vision presented in Mayor Mamdani's broader housing blueprint published last week (*Block by Block: The Housing Plan for a New Era*). Alongside our sister agencies, including the Department of Housing Preservation & Development (HPD), the New York City Housing Authority (NYCHA), the Department of Health and Mental Hygiene (DOHMH), and NYC Health + Hospitals (H+H), DSS serves as a partner in tackling the housing crisis and uplifting the mayor's vision of a city more affordable for working people. DSS' contributions to that comprehensive housing strategy include investment in technology and systems that connect New Yorkers experiencing homelessness to housing, streamlining the supportive housing application process, pursuing reforms to minimize the amount of time people spend in shelter, and breaking down bottlenecks and barriers in crucial housing stability programs to better serve clients.

As you know, DSS, through HRA and DHS, serves approximately 3 million New Yorkers each day. The consolidated management structure and the shared mission of the three agencies provides an integrated continuum of client services that helps create a path to sustainability for low income New Yorkers. Our work is grounded in three priorities: streamlining access to benefits and services, addressing homelessness and housing instability, and promoting economic stability.

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

The FY27 budget for DSS/HRA is $14.6 billion, including $11.8 billion in City funds. The majority (over 70%) of the HRA budget is earmarked for benefits that the City administers on behalf of New York State. Almost 98% of the DSS/HRA 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, also regulated by the State, which includes homecare, managed care, mental health, substance use services, and hospital care. The City pays a portion of Medicaid costs out of City funds representing 57% 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. The remainder of City funds are allocated as follows: 16% for Public Assistance, 18% for rental assistance and homeless prevention, 3% for Administration costs at DSS/HRA and DHS, 2% for legal services, and 1% each for HIV/Aids Services Administration (HASA), 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 benefits are currently federally funded (about $5 billion a year) and do not flow through our budget, but represent another critical benefit that HRA provides.

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 a FY27 budget of $4.2 billion, of which $3.5 billion is City funds. The agency has a headcount of approximately 1,900; and with its not-for-profit partners, it is the largest municipal organization dedicated to addressing homelessness in the United States. Almost 99% 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 FY27: $1.4 billion for adult shelter (45%); $1.25 billion for family shelter (40%); $450 million for street outreach services (14%); and the remaining 1% for general administration.

In the FY27 Financial Plan, 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 risk losing 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 hundreds of thousands of families rely on SNAP to afford groceries and millions 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.

As you know, under H.R.1, SNAP work requirements were significantly expanded by a new the definition of Able-Bodied Adults Without Dependents (ABAWDs) which expanded the age range from 18–54 to ages 18–64 while also lowering the age of dependents from under 18 to under 14. The law also removed several important categorical exemptions for veterans, people experiencing homelessness, qualified non-US citizens, and young adults who aged out of foster care. SNAP recipients who need to comply with these expanded work requirements must complete at least 80 hours per month of work, or job training, or volunteer for a set number of hours based on their monthly grant starting in March 2026. Individuals are allowed three-months of non-compliance before their SNAP benefits would be reduced or closed. June 2026 was the first month where an individual's SNAP benefits could be impacted.

Approximately 1.7 million New Yorkers receive SNAP and we estimate 342,000 individuals on SNAP were impacted by the new work requirements (that is, aged 18-64, no children under the age of 14 in the household, and not disabled). Since the passage of H.R.1, DSS-HRA has pursued a two-part strategy: (1) an all of government effort to exempt all New Yorkers eligible for an exemption; (2) an all of community effort to engage people still at risk of losing their benefits. Our efforts have helped more than 220,000 SNAP recipients potentially impacted by work requirements obtain exemptions, and, thanks to repeated direct outreach to the remaining 126,000 identified SNAP recipients, helped more than 80,000 New Yorkers comply with these work requirements through engagement in employment, volunteer, and vocational opportunities. We have conducted dozens of information seminars and trainings to community organizations and partners including elected officials, conducted targeted door-knocking campaigns in partnership with the Mayor's Public Engagement Unit and amplified awareness through a variety of public media outlets to ensure clients had, and continue to have, ample opportunity to connect with us to mitigate any impacts of the new eligibility criteria on SNAP recipients. While this is encouraging and a testament to the dedicated work of HRA staff and government partners, as well as the support of CBO partners, advocates and elected officials, approximately 42,500 SNAP recipients are potentially impacted by benefit reductions and closures in June due to non-compliance with these federal requirements. We strongly encourage anyone who has experienced a reduction or closure of their benefits due to these work requirements to contact us a 718-SNAP-NOW (718-762-7669). It is not too late to save your benefits and HRA can help you understand how to retain your 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 May 28th, the overall DHS census was 82,640. Of the 82,600, approximately 52,400 (almost 65%) are families made up of children (28,231) and their adult parents and caregivers (24,136) and children make up 34% (or more than one third) of all the people in shelter. The remaining population are made up of single adult men (18,167) single adult women (7,268), and adult families (4,838). As you know, DHS evaluates New York City's shelter census continuously to ensure we are meeting our legal mandate to provide temporary housing services for all who need them. While we have seen some decline in the families with children populations at intake, that has been offset by the number of single adults entering the system, including the individuals who will be exiting the last remaining HERRC at the Bruckner site by the end of this calendar year.

In New York City, 97% of people experiencing homelessness are sheltered, but that 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 June 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, in February, 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 $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 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 FY26 through March nearly 13,000 households comprised of nearly 27,900 New Yorkers were able to obtain permanent housing or stay in their homes using CityFHEPS vouchers, reflecting a 24% increase year over year. Furthermore, DSS was thrilled to be a part of Mayor Mamdani's 100-day accomplishments announcement celebrating another 10,000 subsidized exits from shelter. Through our Homebase homelessness prevention services, in FY26 through May, more than 30,900 households (~78,800 New Yorkers) have been enrolled, exceeding the contractual goal with a month still remaining in the fiscal year. This represents 18,100 households (~46,400 individuals) who received services to remain in their homes, and 12,800 households (~32,400 New Yorkers) who received aftercare services from Homebase to help them stay stably-housed.

Economic stability remains a key focus of our work at DSS. 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.

HRA Career Services continues to expand the scale and reach of its workforce development efforts through Community Hiring, HireNYC, and other employment initiatives. In FY26 to date, nearly 8,500 public benefits recipients have been connected to employment through DSS-HRA's BusinessLink HireNYC program, helping New Yorkers access quality jobs that support long-term economic stability and self-sufficiency.

The Pathways to Industrial and Construction Careers (PINCC) program continues to advance training, education, and job placement opportunities. To date, the program has enrolled 2,810 individuals in construction and industrial training programs, achieved 1,556 training completions, and placed 1,345 participants into employment, including more than 1,100 union positions.

Jobs Plus, HRA's place-based employment initiative serving NYCHA developments, continues to connect public housing residents to workforce, financial empowerment, and supportive services. Through May 31, FY26, Jobs Plus providers reported 926 placements, enrolled 2,345 individuals, and served 8,532 participants across 10 sites citywide. HRA plans to release the next Jobs Plus RFx in Summer 2026, with an anticipated program start date of July 1. 2026.Finally, I want to recognize our partners across government including the NYC Council, the provider community, advocates, and community-based organizations who help deliver these essential services every day. Together, we remain committed to improving access, strengthening stability, and supporting vulnerable New Yorkers with dignity and compassion.

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

Thank you.