



**Office of Temporary
and Disability Assistance**

**Testimony
Acting Commissioner Daniel W. Tietz**

**Before the Legislative Fiscal Committees' Joint Budget Hearing
State Fiscal Year 2022-23 Executive Budget
Human Services**

**Wednesday, February 2, 2022
11:00am**

Good morning, Chairpersons Krueger and Weinstein, and distinguished members of the state Senate and Assembly. I am Daniel W. Tietz, Acting Commissioner of the Office of Temporary and Disability Assistance. I am pleased to join you today to discuss the impact of Governor Hochul's 2023 Executive Budget on the important work of our agency on behalf of the residents of New York State.

OTDA is responsible for supervising programs that provide economic and other assistance and support to eligible families and individuals. This vital government function includes helping New Yorkers meet their essential needs and ensuring their economic security by providing opportunities for stable employment, housing, and nutrition. Importantly, our mission is accomplished in cooperation with the local social services districts and community-based service providers. We are pleased to report that Governor Hochul's Executive Budget makes long-overdue adjustments to public assistance that will help low-income New Yorkers achieve economic security. These program improvements—the first in many years—are sure to have a dramatic impact on struggling households.

The Governor's budget also continues steady funding of our agency's core programs, which serve the critical needs of millions of New Yorkers daily. These programs include ongoing public assistance, emergency assistance, housing supports, and a range of services, including programs that help refugees start a new life in our state.

While OTDA's work has always been important, our programs have become increasingly critical amid the far-reaching economic fallout of the COVID-19 pandemic. Simply put, our assistance programs are helping millions of New Yorkers avoid food insecurity and housing instability during this public health crisis.

Last year alone, OTDA distributed nearly \$5 billion in additional food benefits to school children and struggling families throughout the state, infusing our communities with critical federal dollars. Under Governor Hochul's leadership, our agency has fully committed all \$2.4 billion in federal rental assistance through the Emergency Rental Assistance Program or ERAP, which has brought critical eviction protections to hundreds of thousands of tenants and much needed relief to struggling landlords.

While our state is well-positioned to emerge from the economic toll brought about by the pandemic, there remain many challenges ahead. Governor Hochul has continued to call on the U.S. Treasury to provide high-need states like New York with additional funding for ERAP to ensure all eligible tenants who apply have access to this assistance. Recently, the state formally requested \$1.6 billion in reallocated funds from the Treasury Department, and we await a response.

We must also continue the vital work OTDA was doing prior to the onset of the pandemic to address homelessness. Specifically, this includes supporting the Governor's new five-year, \$25 billion comprehensive housing plan to create and preserve 100,000 affordable homes, including 10,000 units of supportive housing for vulnerable populations. OTDA's Homeless Housing and Assistance Program, with \$128 million in this year's budget, is a central component of this effort by funding capital projects statewide that provide supportive housing to families and individuals

experiencing homelessness. Supportive housing brings together permanent housing and tailored services necessary for individuals to achieve and maintain stable lives in the community. These services play a critical role in helping families and individuals to overcome the obstacles that may have contributed to their homelessness. New funding is included in OTDA's budget to support these critical services and ongoing operation of this permanent housing through the Empire State Supportive Housing Initiative, or ESSHI.

As I alluded earlier, a core OTDA function is helping New Yorkers relying on our assistance programs to achieve economic security. This year's budget proposes changes to the public assistance program to encourage increased earnings and allow more savings among recipients without forcing them off the so-called 'benefits cliff'—the loss of benefits resulting from a quite modest increase in income that then places a household slightly over the eligibility threshold thereby ending all assistance. Rather than incentivizing work, this benefits cliff often results in recipients who work becoming ineligible for any public assistance even though the household remains below the poverty level. With the Governor's proposed improvements, a single adult in receipt of public assistance in New York City will now be able to earn up to \$1,094 per month before losing eligibility—more than double the \$487 per month threshold that exists today.

Similarly, the improved benefits will permit a New York City family of three to earn up to \$1,876 per month before losing public assistance eligibility, an increase of \$417 over the previous formula. And the fixed earned-income disregard for all public assistance cases will increase monthly benefits for an estimated 25,000 households with and without children. Taken together, these improvements will make a significant impact on the economic security of individuals and families.

Governor Hochul's budget will also permit applicants and recipients of public assistance to save more before that savings renders them ineligible for assistance. In addition, the budget proposes to eliminate the 45-day waiting period for Safety Net Assistance applicants, helping households obtain critical benefits more quickly.

The budget also continues to invest in the Summer Youth Employment Program, providing a funding increase to reflect a recent boost to the minimum wage so the program can continue providing invaluable employment experience for thousands of young New Yorkers.

And while it is not directly connected to the budget, I look forward to building on these improvements through my work as co-chair of the newly established Child Poverty Reduction Advisory Council, which will provide an important framework to work with you and a broad range of stakeholders to develop a comprehensive set of recommended strategies and benchmarks to reduce child poverty by 50 percent over the next decade. We are also aiming to expand the council's focus to more broadly address poverty and improve the financial well-being of low-income households throughout the state.

In closing, Governor Hochul's budget outlines a bold vision and a tremendous opportunity for our agency and New York State. This includes building on OTDA's past successes and sensibly targeting resources to better ensure the economic security of every New Yorker in need.

We look forward to working with our partners in the Legislature in the coming months. Thank you again for the opportunity to testify.