



ISSUES FACING NEW YORK CITY'S AGENCIES: HUMAN RESOURCES ADMINISTRATION

Overview

The Human Resources Administration (HRA) assists more than three million New Yorkers annually through programs such as cash assistance, HIV and AIDS services, homeless prevention, legal assistance, food assistance, rental assistance and Medicaid public health insurance. Homeless services are discussed in a separate brief. With a full-time staff of 13,706 people, HRA's budget is expected to total \$11.3 billion in FY 2022 (\$8.7 billion, or 77 percent, is City-funded). The Medicaid public health insurance program accounts for more than half of the HRA budget at \$6.6 billion, using mostly City funds (see Figure 1).

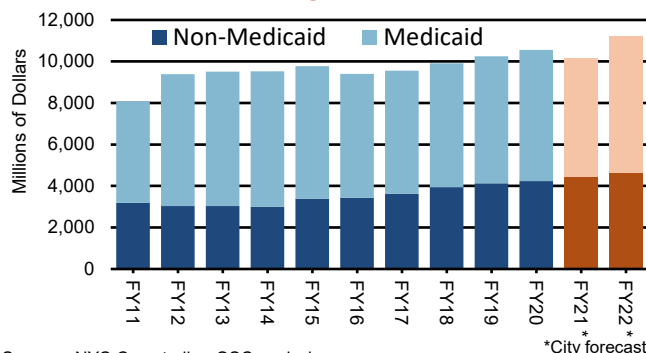
Pandemic Impact on Agency Operations

Prior to the pandemic, enrollment in the City's cash assistance program had been on the decline, reaching a record-low level of 325,000 people in March 2020. Enrollment then grew sharply, by about 20 percent between February 2020 and September 2020, when the caseload peaked at 391,432 people, before beginning to decline. However, since September 2021, after federal extended unemployment benefits came to an end, enrollment has risen again. The City expects to spend \$891 million a month on cash assistance in FY 2022. Medicaid enrollment also increased by 21 percent between February 2020 and November 2021, when almost 4.1 million City residents (46 percent of the population) were enrolled. The growth in Medicaid enrollment has slowed and may start to fall with the continued reduction in unemployment.

ISSUES FACING THE AGENCY

- Medicaid:** The Families First Coronavirus Response Act, passed in March 2020, authorized additional federal Medicaid aid for the duration of the COVID-19 public health emergency. OSC estimates the total savings for New York City to be \$855 million through March 31, 2022, but these funds are finite, and the City may bear a higher share of costs going forward.
- Rental Assistance:** The City's FY 2022 budget includes an increase of \$168 million from FY 2021 for housing vouchers, which is not funded in the out-years and represents a budgetary risk of about \$200 million annually beginning in FY 2023. The City budget also benefited from the New York State Emergency Rental Assistance Program (ERAP) which provided relief for renters who had fallen behind on rent payments as a result of the pandemic, including federally funded one-time payments for back rent ("one-shots") that historically have been paid for by the City (see Figure 2). However, as ERAP is accepting fewer applicants due to funding constraints, and the statewide eviction moratorium expired on January 15, 2022, the City may see demand increase going forward.

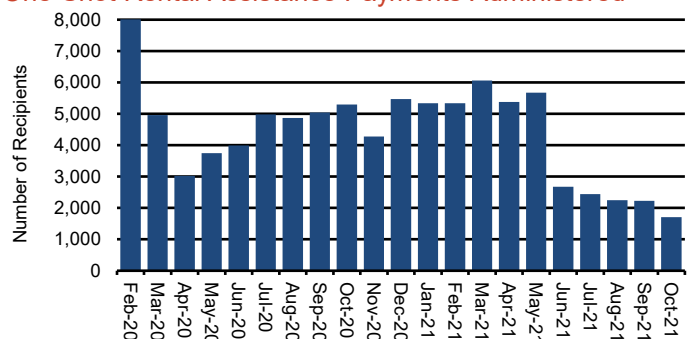
FIGURE 1
Medicaid Share of HRA Costs



Sources: NYC Comptroller; OSC analysis

*City forecast

FIGURE 2
One-Shot Rental Assistance Payments Administered



Sources: NYC Office of Management and Budget (OMB); OSC analysis
Note: "One-shots" are generally used for rent arrears and utility payments.