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Report on the Fiscal 2017 Executive Budget

Department of Youth and Community Development

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Executive Budget Summary

- **Expense Budget Overview.** The Department of Youth and Community Development's (DYCD or the Department) Fiscal 2017 Executive Budget totals \$562.4 million. This figure falls \$96 million below DYCD's Fiscal 2016 Adopted Budget of \$658.4 million.
- **Headcount.** The Fiscal 2017 Executive Budget supports a workforce of 520 full-time staff, for a net decrease of four positions when compared to the Fiscal 2016 Current Modified Budget.
- **Executive Budget Changes.**
 - \$5.6 million in new needs to support and expand services at Beacon Community Centers;
 - \$918,000 in new needs for cleaning operations at Cornerstone Community Centers;
 - \$13.9 million in other adjustments; and
 - \$386,000 in staffing efficiencies.
- **Major Agency Issues.**
 - The Fiscal 2017 Executive Budget does not include \$83 million in Council discretionary funding from the Fiscal 2016 Adopted Budget.
 - The Fiscal 2017 Executive Budget does not include \$218 million in additional funds requested in the Council's Fiscal 2017 Preliminary Budget Response:
 - \$40.2 million to baseline the Council's year-round youth employment program, Work, Learn, Grow (WLG);
 - \$6 million to grow and baseline year-round youth employment programming for the Crisis Management System;
 - \$20 million to create a year-round round youth employment program for the Mayor's Action Plan for Neighborhood Safety (MAP);
 - \$41.8 million to expand the Summer Youth Employment Program (SYEP) to 100,000 jobs by Fiscal 2019;
 - \$13.8 million to evaluate and improve the quality of SYEP services;
 - \$74.3 million to expand the number of Comprehensive Afterschool Services (COMPASS) for elementary-aged students to 65,000;
 - \$20.4 million to baseline summer afterschool programming for middle school-aged students in Schools Out NYC (SONYC);
 - \$768,000 to expand the reach of the Council's Student Voter Registration Day; and
 - \$800,000 to create a New York City Social Justice Postgraduate Fellowship.

DYCD Overview

This report presents a review of DYCD's Fiscal 2017 Executive Budget. The following presents an overview of the Department's budget and how it has changed over Fiscal 2016, with a review of budget actions introduced in the Fiscal 2017 Executive Budget. The report then discusses major issues related to the Department's budget. Finally, Appendix 1 outlines changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on the Department's budget and programs, please refer to the Fiscal 2017 Preliminary Budget Report for DYCD Development at: <http://council.nyc.gov>.

DYCD Financial Summary						
	2014	2015	2016	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services	\$26,480	\$32,837	\$34,908	\$36,000	\$38,350	\$3,442
Other Than Personal Services	377,966	549,048	623,508	656,614	524,089	(99,419)
TOTAL	\$404,446	\$581,885	\$658,416	\$692,614	\$562,439	(\$95,977)
Budget by Program Area						
Adult Literacy	\$12,643	\$15,783	\$9,157	\$10,183	\$9,335	\$178
Beacon Community Centers	60,382	85,604	86,371	97,504	95,392	9,021
Community Development	48,916	51,175	57,771	60,108	26,087	(31,684)
General Administration	21,442	27,351	22,989	20,889	22,397	(592)
In-School Youth Programs	5,217	5,375	5,633	5,497	4,598	(1,035)
Other Youth Programs	38,308	40,691	60,157	42,729	20,007	(40,150)
Out-of-School Time	152,042	261,827	324,778	324,629	303,392	(21,386)
Out-of-School Youth Programs	11,598	12,730	13,015	16,990	16,776	3,761
Runaway and Homeless Youth	13,864	16,789	21,702	23,289	27,932	6,230
Summer Youth Emp. Program	40,034	64,559	56,842	90,797	36,522	(20,320)
TOTAL	\$404,446	\$581,885	\$658,416	\$692,614	\$562,439	(\$95,977)
Funding						
City Funds	\$296,762	\$345,319	\$423,313	\$432,447	\$328,736	(\$94,577)
Other Categorical	2,489	1,814	0	2,181	0	0
State	4,722	5,950	5,275	6,971	5,275	0
Federal – CD	7,658	7,709	7,513	7,518	7,144	(369)
Federal - Other	66,706	67,552	51,437	74,888	53,081	1,644
Intra City	26,110	153,542	170,878	168,609	168,203	(2,675)
TOTAL	\$404,446	\$581,885	\$658,416	\$692,614	\$562,439	(\$95,977)
Budgeted Headcount						
Full-Time Positions	378	449	520	524	520	0

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

The City's Fiscal 2017 Executive Budget totals \$82.2 billion, \$2.1 billion more than the Fiscal 2016 Adopted Budget of \$80.1 billion. City funds (City tax-levy and non-tax revenues) total \$59.4 billion, an increase of \$2.5 billion when compared to the Fiscal 2016 Adopted Budget amount of \$56.9 billion. For DYCD, the Fiscal 2017 Executive Budget totals \$562.4 million, representing less than one percent of the City's total budget.

DYCD's Fiscal 2017 Executive Budget of \$562.4 million falls \$96 million short of its Fiscal 2016 Adopted Budget of \$658.4 million. This difference is reflected in a \$99.4 million decrease in spending in other than personal services (OTPS), offset by an increase of \$3.4 million under personal services (PS). The proposed budget is approximately \$19.8 million higher than DYCD's Fiscal 2017 Preliminary Budget of \$542.6 million.

Since Adoption of the Fiscal 2016 Budget, several initiatives have impacted both DYCD's budget and headcount for Fiscal 2016 and Fiscal 2017. For Fiscal 2016, these include \$34.2 million in other adjustments and the addition of four full-time positions in the Runaway and Homeless Youth (RHY), Out of School Time (OST) and Other Youth Program Areas. In Fiscal 2017, changes have included \$11.5 million in new needs and \$24.3 million in other adjustments, with two new positions added for RHY and a reduction of five positions in General Administration. Combined, these changes reconcile DYCD to its current budget of \$692.6 million for Fiscal 2016 and \$562.4 million for Fiscal 2017. Headcount changes are reconciled to 524 in the current Fiscal 2016 Budget and a return to 520 in Fiscal 2017.

Below is a summary of key funding changes by program area and source when comparing DYCD's Fiscal 2017 Executive Budget to its Fiscal 2016 Adopted Budget.

- **Changes by Program Area.** The Fiscal 2017 Executive Budget for DYCD reflects a \$95.9 million reduction from Fiscal 2016 Adopted Budget. Program areas impacted by these funds include Community Development, Other Youth Programs, OST and SYEP. Community Development, budgeted at \$26 million in Fiscal 2017, reflects a \$31.7 million decrease from the Fiscal 2016 Adopted Budget of \$60.1 million. Council support for initiatives, totaling \$26.8 million, constitutes the majority of this difference; the remaining \$7.1 million difference reflects differences in federal funding schedules. Similarly, the Other Youth Program Area, with a \$40.2 million difference from the Fiscal 2016 Adopted Budget, is missing \$37.5 million in Council initiative funding, as well as a \$2.7 million difference in intracity transfers. Out-of-School Time programming, at \$303.4 million in the Fiscal 2017 Executive Budget, does not include \$20.4 million that previously supported 34,000 SONYC summer program slots, or an additional \$986,000 in City funding. This, as well as the \$20.3 million difference in funding for SYEP between the Fiscal 2016 Adopted Budget and Fiscal 2017 Executive Budget, will be addressed beginning on page 4.
- **City Tax-Levy Decrease.** Collectively, the City-funded portion of DYCD's Fiscal 2017 Executive Budget reflects a decrease of \$94.6 million from the Fiscal 2016 Adopted Budget. The current Fiscal 2016 Budget sees an increase of \$9.1 million. This is in part reflective of City Council discretionary funding that has yet to be added to the agency's budget. In Fiscal 2016, a total of \$83 million in Council discretionary funding was distributed through DYCD.
- **Non-City Funding.** For Fiscal 2017, DYCD's non-city revenue decreases by a net of \$1.4 million when compared to the Fiscal 2016 Adopted Budget, whereas the current modified budget for Fiscal 2016 shows growth of approximately \$25.2 million. The bulk of this increase, \$23.5 million, is federal funding. Of this, \$13.6 million has been added for the Summer Youth Employment Program, \$6.8 million for Community Development Programs and \$4 million for Out-of-School Youth Programs. The remaining \$6.1 million has been added to support six of DYCD's other seven program areas. Out-of-School Time, which receives no federal funding, is supported by of \$1.1 million in revenue from other categorical sources and State revenue.
- **Headcount Changes.** Total budgeted full-time headcount is not scheduled to change between Fiscal 2016 and Fiscal 2017, as outlined above.

New in the Executive Budget

DYCD's Fiscal 2017 Executive Budget includes \$6.6 million in new needs and \$386,000 in savings. Each of these is described in further detail below.

- **Base Rate for Beacon Community Centers.** The Fiscal 2017 Executive Plan adds \$5.6 million for Beacon Community Centers, increasing to \$16.8 million in Fiscal 2018 and in the outyears. In Fiscal 2017, DYCD will increase the reimbursement rate to each of the City's 80 Beacon sites to \$400,000, from an average of \$347,000. Currently, the 66 Beacons funded directly by the City have been funded at a lower rate than the 14 Beacons supported with federal money. The increase for Fiscal 2017 will bring all 80 Beacons to near-equal funding levels for the first time and restore City-funded Beacons to their original 1990 budgets. A portion of the Fiscal 2017 allocations will also support a pilot program at 10 Beacons to offer extended summer hours, similarly to those offered in the City's Cornerstone Community Centers.

For Fiscal 2018 and beyond, an increase of \$16.8 million will raise the reimbursement rate for all 80 Beacons – including those receiving federal support – to \$550,000. This will allow providers to serve greater numbers, offer expanded hours during the summer months and hire additional staff.

- **Cornerstone Community Center Cleaning Fees.** The Fiscal 2017 Executive Plan includes baseline funding of \$918,000. This addresses ongoing complaints from program providers that Cornerstone funding has not adequately supported the cost of cleaning services. These funds will be divided between providers at the 94 Cornerstone sites based on square footage. Sites up to 6,000 square feet will receive between \$32,000 and \$40,000, depending on numbers served; sites up to 10,500 square feet will receive \$52,000; and sites up to 26,000 square feet will receive \$75,000.
- **Citywide Savings Program.** Along with the Fiscal 2017 Executive Plan, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlines plans to reduce City spending by \$589 million in Fiscal 2016 and \$465.5 million in Fiscal 2017. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. In the Fiscal 2017 Executive Budget, DYCD has proposed savings totaling \$386,000 for Fiscal 2017, to be derived from the implementation of new technology systems to facilitate procurement, financial tracking and program management. For Fiscal 2017, these savings include the elimination of five General Administration positions, including three support staff and two general counsel positions. In Fiscal 2018 and in the outyears, savings will increase to \$695,000 and include the reduction of two additional support staff positions from General Administration.

DYCD Budget Issues

The Council's response to the Mayor's Fiscal 2017 Preliminary Budget featured youth services as a top priority, with many of its recommendations directed toward programs at the Department of Youth and Community Development. Of the 10 policy recommendations concerning existing programs or new needs within DYCD, the Fiscal 2017 Executive Budget only addressed one: the proposal to increase funding for Beacons. This has left \$218 million in Council-identified needs unaddressed. In addition, the Council called upon the Administration

to add \$16 million to support Adult Literacy Services, which were also not included in the Executive Budget. Requests not supported by the Fiscal 2017 Executive Budget include the following.

- **Baseline Work, Learn, Grow.** In Fiscal 2016, the Council introduced a new year-round youth employment program, launched through DYCD as Work, Learn, Grow. Funded at \$16.2 million, the inaugural year of the program provided employment opportunities to more than 6,000 SYEP participants who have also been enrolled in school. Given the success of this pilot program and its impact on participants, the Council has called upon the Administration to not only baseline the program, but to support a truly full-year program and include out-of-school youth, with a total proposed budget of \$40.2 million. Unfortunately, the Fiscal 2017 Executive Budget includes no funding for WLG.
- **Create a Year-Round Youth Employment Program for the Mayor's Action Plan for Neighborhood Safety.** In Fiscal 2016, the Administration reserved 841 summer youth employment jobs specifically for students in MAP developments within the New York City housing Authority (NYCHA). The Fiscal 2017 Preliminary Budget Response included a call to invest \$20 million to expand this program to 3,000 youth and make it year-round, similar to WLG. No funds for this program have been included in the Fiscal 2017 Executive Budget.
- **Enhance the Year-Round Employment Program for the New York Crisis Management System.** As an addition to its pilot year-round employment program in Fiscal 2016, the Council invested \$1.5 million in the dedication of 300 SYEP and WLG positions for youth involved in the City's Crisis Management System (CMS). In its Fiscal 2017 Preliminary Budget Response, the Council requested that the Administration baseline this program and increase its investment by \$6 million so as to increase the program's reach to 800 participants who reside within CMS's catchment areas. The Fiscal 2017 Executive Budget does not support the program.
- **Baseline Expansion of SYEP to 60,000 Jobs.** The Fiscal 2017 Preliminary Budget included \$37 million for SYEP, with an additional \$15.6 million anticipated to come from New York State. These funds combined would support an estimated 35,101 summer jobs, representing a reduction of 19,162 from those offered in Fiscal 2016. At the Fiscal 2017 Preliminary Budget Hearing of the Youth Services Committee, DYCD Commissioner Bill Chong testified that an additional \$41.2 million to the Department's budget would not only restore the full number of participants served in Fiscal 2016, but also increase the number of jobs available for Fiscal 2017 to 60,000. Accordingly, the Council called for inclusion of these funds in the Fiscal 2017 Executive Budget, as well as further funds in Fiscal 2018 and 2019 to reach its ultimate goal of serving 100,000 youth each summer. Yet the total funding currently allotted for Fiscal 2017 is only \$36.5 million, \$684,000 less than was originally included in the Fiscal 2017 Preliminary Budget. While this total includes an increase of \$307,000 to reflect minimum wage increases, it also accounts for a \$991,000 reduction in federal funds related to the Workforce Innovation and Opportunity Act (WIOA).
- **Overhaul of SYEP.** Since it was first introduced in New York City more than 40 years ago, the Summer Youth Employment Program has undergone relatively few positive programmatic and administrative changes. The Council thus called for a \$13.8 million addition to the Fiscal 2017 Executive Budget to support an external evaluation of SYEP's implementation model and a number of preliminary program enhancements. Recommended enhancements included a return to a seven-week program model, a return

to a 14- to 21-year-old service population, improvements in supports for participants identified as vulnerable youth and a pilot program connecting SYEP with career and technical education (CTE) high schools.¹ None of these requests have been addressed within the Fiscal 2017 Executive Budget.

- **Expand COMPASS Slots for Elementary Students.** While the Administration has made the universal availability of afterschool programming for middle school students a top priority, the number of afterschool program slots available to elementary-aged students has actually declined. To address this disparity, the Council called for an additional \$74.3 million in the Out-of-School Time program area to increase the number of slots available for elementary-aged students from 42,540 to 65,000. However, no additional funds for COMPASS were included in the Fiscal 2017 Executive Budget.
- **Restore SONYC Summer Slots.** For Fiscal 2015, the Administration baselined a transfer of \$27 million in New York State education funds to the Department of Education to support the expansion of summer afterschool programming to middle school students in SONYC. In the Fiscal 2016 Executive Budget, however, the Administration removed these funds from DYCD's budget and transferred them to the Department of Education (DOE) to increase its support for Renewal Schools. In the wake of intense backlash from the public, the advocacy community and the Council, the Administration agreed to restore funding for one year. In its Fiscal 2017 Preliminary Budget Response, the Council insisted that the Administration restore these slots permanently, at a cost of \$20.4 million. The Fiscal 2017 Executive Budget includes no additional support for SONYC summer slots.
- **Support Student Voter Registration Day.** Fiscal 2016 represented the Council's first year supporting a Student Voter Registration Day, designed to support civic education and encourage civic engagement upon New York City high school seniors. With a budget of \$348,000, the initiative enrolled more than 8,000 new voters. Based on these encouraging results, the Council included a request for \$768,000 to expand the initiative's reach in its Fiscal 2017 Preliminary Budget Response, for which funds have not been included in the Fiscal 2017 Executive Budget.
- **Create a New York City Social Justice Postgraduate Fellowship Program.** Given the relatively limited opportunities in New York City for graduates of professional and graduate programs to directly enter municipal government, the Council called upon the Administration to devote \$800,000 to create a New York City Social Justice Postgraduate Fellowship. This request is not addressed by the Fiscal 2017 Executive Budget.
- **Adult Literacy Services.** The Council called upon the Administration to make a major investment in adult literacy and language proficiency programming by baselining \$16 million, supporting 13,300 classroom seats in English for Speakers of Other Languages (ESOL), Basic Education in Native Language (BENL), Adult Basic Education (ABE) and High School Equivalency (HSE) programs. No additional funds for these programs have been included in the Fiscal 2017 Executive Budget.

¹ For the purposes of this report, the Council defines vulnerable youth as young people between the ages of 14-21 who are foster-, shelter-, or justice-involved, or who have run away from home.

Appendix 1: DYCD Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2016 Budget	\$423,312	\$235,103	\$658,415	\$291,868	\$234,728	\$526,596
New Needs - Prelim. 2017						
Runaway and Homeless Youth	\$0	\$0	\$0	\$4,935	\$0	\$4,935
Subtotal, New Needs	\$0	\$0	\$0	\$4,935	\$0	\$4,935
Other Adjustments - Prelim. 2017						
Admin. Efficiencies, Space Consolidation, Underspending	(\$2,091)	\$0	(\$2,091)	(\$1,621)	\$0	(\$1,621)
CEO Funding Adjustment	0	0	0	11,952	0	11,952
COMPASS State Increase	0	1,094	1,094	0	0	0
CSBG Realignments and Revenue Income	0	5,992	5,992	0	0	0
Member Item Reallocations	(5,834)	0	(5,834)	0	0	0
Miscellaneous November Adjustments	1,200	3,149	4,349	836	0	836
Miscellaneous January Adjustments	(22)	170	148	(50)	0	(50)
SYEP State Contribution	0	15,468	15,468	0	0	0
Year-Round Youth Employment Increase	2,037	0	2,037	0	0	0
Subtotal, Other Adjustments	(\$4,710)	\$25,873	\$21,163	\$11,117	\$0	\$11,117
TOTAL, All Changes Prelim. 2017	(\$4,710)	\$25,873	\$21,163	\$16,052	\$0	\$16,052
Agency Budget as of the Preliminary 2017 Budget	\$418,602	\$260,976	\$679,578	\$307,920	\$234,728	\$542,648
New Needs - Exec. 2017						
Beacons	\$0	\$0	\$0	\$5,645	\$0	\$5,645
Cornerstone Cleaning	0	0	0	918	0	918
Subtotal, New Needs	\$0	\$0	\$0	\$6,563	\$0	\$6,563
Other Adjustments - Exec. 2017						
Administrative and Wage Adjustments	\$13,791	\$5	13,796	\$13,283	\$6	\$13,289
CEO Funding Adjustment	(75)	0	(75)	0	0	0
Increased Beacon Funding	0	295	295	0	0	0
Member Item Reallocations	201	0	201	0	0	0
Miscellaneous April Adjustments	(74)	0	(74)	(27)	0	(27)
Model for YAIP Plus	0	143	143	0	974	974
Renewal Schools Adjustments - Summer in the City	0	(3,143)	(3,143)	0	(3,649)	(3,649)
Staff Efficiencies	0	0	0	(386)	0	(386)
WIOA Baseline NOA Adjustment	0	1,893	1,893	0	1,645	1,645
YMI Funding Adjustment	0	0	0	610	0	610
Subtotal, Other Adjustments	\$13,843	(\$807)	\$13,036	\$14,252	(\$1,024)	\$13,228
TOTAL, All Changes - Exec. 2017	\$13,843	(\$807)	\$13,036	\$20,815	(\$1,024)	\$19,791
DYCD Budget as of the Fiscal 2017 Executive Plan	\$432,447	\$260,167	\$692,614	\$328,735	\$233,703	\$562,439