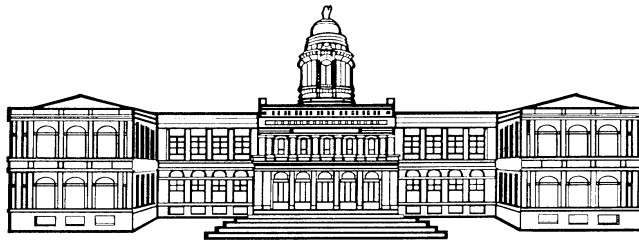


New York City Council



BUDGET NOTE

Finance Division

November 2008

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Hon. Lewis A. Fidler
Chair, Committee on Youth Services

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT (260)

The Department of Youth and Community Development (DYCD) supports youth and community services through contracts with a broad network of community-based organizations throughout New York City. The Department supports a variety of activities, including structured recreation, athletics, tutoring and remedial education, leadership development, delinquency prevention, cultural enrichment, counseling, adolescent health care, substance abuse prevention, and runaway and homeless programs. To assist the communities in which youth and their families live, the Department administers federal Community Services Block Grant funds to help low-income people become more self-sufficient; provides services to immigrants; and performs outreach functions to non-public assistance applicants within the Home Energy Assistance Program field offices.

AGENCY FUNDING OVERVIEW (in \$000s)

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$249,624	\$244,184	\$182,620	\$173,523
Other Categorical	\$0	\$171	\$0	\$0
Capital IFA	\$0	\$0	\$0	\$0
State	\$12,793	\$12,973	\$12,924	\$12,924
Community Development	\$11,740	\$12,685	\$8,890	\$8,890
Federal-Other	\$78,681	\$78,760	\$58,712	\$58,712
Intra-City	\$26,595	\$26,595	\$23,515	\$23,515
Total	\$379,433	\$375,368	\$286,661	\$277,564

<i>HEADCOUNT OVERVIEW</i>				
Headcount	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	346	333	336	323
Non-City	79	74	79	74
Total	425	407	415	397

Fiscal 2009 November Plan Action Analysis

In September, the Mayor's Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency's City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City's budget gap by either reducing an agency's City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>				
		Fiscal 2009 Adopted Budget and Forecast	Fiscal 2009 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast
	Fiscal 2009	\$249,624	(\$5,338)	-2.1 %
	Fiscal 2010	\$182,620	(\$9,131)	-5 %

NOVEMBER PLAN ACTIONS (\$000)

Description \$(000)	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Adopted Plan	249,624	129,809	379,433	182,620	104,041	286,661
PEGS						
2.5% Reduction in City Council Discretionary Funding	(1,116)	0	(1,116)	0	0	0
Consolidate OST and Beacons Programming	0	0	0	(1,000)	0	(1,000)
Integrate Workforce Investment Funding w/ OST	0	0	0	(4,244)	0	(4,244)
OST Slot Reductions	(3,175)	0	(3,175)	(2,126)	0	(2,126)
Prior Year State Revenue	(848)	848	0	0	0	0
Underspending in Young Adult Internships	(200)	0	(200)	0	0	0
Work Hours Reduction in Summer Jobs for Teens	0	0	0	(1,761)	0	(1,761)
Total PEGS	(5,338)	848	(4,490)	(9,131)	0	(9,131)
Other Adjustments						
CDBG - CUNY	0	945	945	0	0	0
ESG Funding for FY09	0	98	98	0	0	0
Fund Wallace Grant	0	171	171	0	0	0
OSA Collective Bargaining	29	0	29	34	0	34
Reduce FY09 HEAP Funding	0	(20)	(20)	0	0	0
Reduce Records Management Fund	0	(2)	(2)	0	0	0
State Budget Adjustment - YDDP and RHY	(131)	(700)	(831)	0	0	0
TO Fund Record MGMT	0	34	34	0	0	0
Total Other Adjustments	(102)	526	424	34	0	34
Total Executive Plan Budget Changes	(5,441)	1,374	(4,066)	(9,097)	0	(9,097)
Agency Budget as per the November Plan	244,183	131,183	375,367	173,523	104,041	277,564

PEGS

- Consolidate Out of School Time (OST) and Beacons Programming.** The Department proposes a savings in the amount of \$1 million in Fiscal 2010 and in the outyears by streamlining overlapping OST services and Beacon programs by consolidating ten Out of School Time middle school programs with Beacon Centers that are co-located and operated by the same providers. There will be a reduction of 314 slots. The OST contracts will be terminated and the Beacon contracts will be increased to accommodate the transfer of a majority of the OST middle school youth. There will be a reduction of approximately 314 slots due to this efficiency.
- Integrate Workforce Investment Funding with OST.** The Department proposes a savings of \$4.2 million in Fiscal 2010 and in the outyears by drawing down Workforce Investment Act (WIA) funding for DYCD's In-School Youth (ISY) OST high school program. On November 12th, DYCD released an OST High School Concept Paper which outlines an enhanced OST high school model. DYCD anticipates \$1.3 million in Year 1 and \$4.2 million in Year 2. Current ISY contracts will be renewed for at least one year beginning September 1, 2009, plus any required follow-up period to serve enrolled participants who will be incoming and non-graduating seniors.

The final funding ratio is pending approval, however, DYCD is projecting more than one-third of the existing ISY budget will be reallocated to Out of School Youth (OSY) services effective Fiscal 2010. Current ISY contracts will be renewed for at least one year beginning September 1, 2009, plus any required follow-up period. Commencing July 1, 2009, DYCD will reallocate more than one third of the existing ISY budget to existing OSY contracts to significantly increase the number of participants in OSY. To accommodate the increased service levels, DYCD plans to renew the OSY contracts.

DYCD anticipates the total annual funding for the OST high school programs will be approximately \$3.6 million in Year 1 and \$6.5 million in Year 2 and in the outyears. Of these amounts, \$2.3 million of City tax levy funds will be allocated in each year to High School Transition programs. For the Transition to Adulthood programs, \$1.3 million and \$4.2 million of WIA funds will be allocated in Year 1 and Year 2, respectively.

- **Prior Year State Revenue.** The Department's City tax-levy budget is adjusted in the amount of \$848,000 in Fiscal 2009 to reflect prior year revenues for which there are no outstanding receivables.
- **OST Slot Reductions.** The Department proposes eliminating 4,190 underutilized OST slots in Fiscal 2009 and 2,395 slots in Fiscal 2010. This is a reduction of \$3.2 million in Fiscal 2009 and \$2.1 million in Fiscal 2010 and in the outyears to the OST program. Following the expiration of OST contracts on August 31, 2008 a number of providers elected not to either renew their OST contracts or renew at a lower service level. The PEG reflects the current unallocated funding associated with these changes.
- **Under Spending in Young Adult Internships.** The Department will realize a savings in the amount of \$200,000 in Fiscal 2009 which was originally allocated to the Young Adult Internship Program. The savings will be realized by reducing unexpended funds allocated to the service provider contracts budgeted for participant salaries.
- **2.5 Percent Reduction in City Council Discretionary Funding.** The Department proposes reducing the City Council Discretionary funding by \$1.1 million in Fiscal 2009. DYCD projects that contract funds which have not been fully expended could be accrued as savings. DYCD will not have a final list of contracts impacted until the processing of contracts and expenditures are completed.
- **Work Hours Reductions in Summer Jobs for Teens.** Beginning in the summer of 2009 the Department anticipates participants in the Summer Youth Employment Program (SYEP) will work seven fewer hours (1 day) during the seven week program, for a savings of \$1.8 million in Fiscal 2010 and in the outyears.

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