

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance and the Committee on Youth Services
on the Fiscal 2020 Executive Budget for the

Department of Youth and Community Development

May 16, 2019

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Department of Youth and Community Development's Overview

This report presents a review of the Department of Youth and Community Development's (DYCD) or Department's \$779.2 million Fiscal 2020 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2019, followed by a review of significant budget actions introduced in the Fiscal 2020 Executive Budget. This report concludes with a discussion of major issues related to the Department's budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for DYCD at <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/260-DYCD1.pdf>.

The Financial Summary below shows DYCD's budget since Fiscal 2017 and compares the Fiscal 2020 Executive Budget to the Fiscal 2019 Adopted Budget by program area and source. The Department's headcount is also shown.

DYCD Financial Summary						
<i>Dollars in Thousands</i>	2017	2018	2019	Executive Plan		*Difference
	Actual	Actuals	Adopted	2019	2020	2019-2020
Spending						
Personal Services	\$39,864	\$41,066	\$39,752	\$41,745	\$45,686	\$5,935
Other Than Person Services	679,367	768,243	832,389	863,913	733,531	(98,858)
TOTAL	\$719,232	\$809,310	\$872,141	\$905,658	\$779,217	(\$92,924)
Budget by Program Area						
Out-of-School Time	\$310,550	\$331,949	\$342,805	\$342,428	\$314,987	(\$27,818)
Summer Youth Employment Program	106,274	142,029	144,035	168,490	126,778	(17,256)
Beacon Community Centers	100,263	123,043	113,030	123,802	117,978	4,948
General Administration	24,352	25,057	60,836	54,714	71,900	11,064
Community Development Programs	62,596	63,652	66,306	73,784	55,161	(11,145)
Runaway and Homeless Youth	25,797	34,143	44,527	45,255	43,789	(738)
Adult Literacy	15,653	16,108	20,565	17,341	18,659	(1,906)
Out-of-School Youth	16,490	14,787	16,996	17,380	16,187	(809)
Other Youth Programs	52,700	54,252	58,437	57,723	9,315	(49,122)
In-School Youth Programs	4,557	4,290	4,605	4,741	4,463	(142)
TOTAL	\$719,232	\$809,310	\$872,141	\$905,658	\$779,217	(\$92,924)
Funding						
City Funds	\$464,926	\$553,134	\$638,562	\$632,468	\$554,371	(\$84,191)
Other Categorical	2,038	2,120	0	1,099	0	0
State	7,717	7,182	5,275	6,955	5,275	0
Federal - Community Development	7,593	7,408	7,520	7,520	7,145	(375)
Federal - Other	78,500	77,468	53,149	85,385	55,018	1,869
Intra City	158,459	161,997	167,635	172,231	157,408	(10,227)
TOTAL	\$719,232	\$809,310	\$872,141	\$905,658	\$779,217	(\$92,924)
Budgeted Headcount						
Full-Time Positions - Civilian	482	483	515	522	569	54
Full -Time Equivalent POSITION	44	49	2	28	4	2
TOTAL	\$526	\$532	\$517	\$550	\$573	\$56

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Executive Budget.

Overall Increases/Decreases to DYCD's Budget

- DYCD's Fiscal 2020 Executive Budget totals \$779.2 million, including \$45.6 million for personal services (PS) to support 569 full-time employees and \$733.5 million for other than personal services (OTPS). The PS budget accounts for six percent of DYCD's total budget, and the OTPS budget accounts for 94 percent, as DYCD is primarily a contracting agency.
- DYCD's Fiscal 2020 Executive Budget is approximately \$93 million less than its Adopted Budget for Fiscal 2019. This overall decrease is largely due to the absence of approximately \$83 million in one-time Council funding that supports youth and community development services. These Council initiatives equate to almost eleven percent of DYCD's total budget for the current fiscal year.
- The Fiscal 2020 Executive Budget adds \$27.9 million in two new needs for Fiscal 2020. An allocation of \$25.9 million is for the Census 2020 outreach effort and a \$2 million baseline increase is for maintenance and repairs at NYCHA community centers that host DYCD programs.
- The Fiscal 2020 Executive Budget introduces savings that decrease the agency's budget by less than 1 percent and 1.5 percent in Fiscal 2019 and Fiscal 2020, respectively. As part of the PEG program, the budget cuts \$12.1 million between both years, which is \$600,000 above the Department's initial target. Notably, \$5.5 million in baseline reductions were taken as a PEG due to underspending in SONYC's program and under enrollment in COMPASS services for mandated summer school students.
- The Executive Budget introduced a total of \$2.6 million in Other Adjustments in Fiscal 2019 and \$8.2 million in Fiscal 2020.
- The money to fully fund the Advance and Earn Program for \$13 million, as detailed in the Request for Proposal (RFP) on May 1, 2019, is included in the Budget.

Changes by Funding Source

- **City Funds.** DYCD's Budget is primarily funded with City-Tax Levy (CTL). CTL funds total \$554 million in the Fiscal 2020 Executive Budget, \$84 million less than the Fiscal 2019 Adopted Budget's \$639 million. This largely reflects the absence of Council discretionary funding, which constitutes \$82.7 million of the current Fiscal 2019 Executive Budget. Missing from the Fiscal 2020 Budget are two programs; summer SONYC, budgeted at \$15 million in Fiscal 2019 and Work, Learn, Grow (WLG) budgeted at \$19.7 million. The Administration funded both programs in Fiscal 2019, but has not yet restored them in Fiscal 2020.
- **Non-City Funds.** The Fiscal 2020 Executive Budget recognizes a net decrease of \$8.7 million in non-City funds, including a \$10.2 million decrease in Intra City transfers from the Department of Education (DOE) to DYCD to support afterschool programming, offset by an increase of \$1.5 million in combined Other Categorical, State, and Federal Community Development resources.

New in the Executive Plan

DYCD's Fiscal 2020 Executive Budget introduces two New Needs totaling \$27.9 million for Fiscal 2020, and \$250,000 for Fiscal 2019. It is important to note that the Executive Budget does not include support for summer SONYC and the restoration of WLG, both called for by the Council in its Fiscal 2020 Preliminary Budget Response.

- **Census 2020.** The Fiscal 2020 Executive Budget includes a total of \$25.9 million for an outreach campaign to encourage New Yorkers to participate in the upcoming United States Census. DYCD will use \$3.8 million to add 55 positions and will allocate \$22.1 million for OTPS. The 55 new positions will be field organizers who will help residents execute the Census survey. Fifteen of these positions are currently posted and the budget adds \$250,000 in Fiscal 2019 for them. This work will wind-down in Fiscal 2021, with \$950,000 as the projected need. Deputy Mayor J. Phillip Thompson and Julie Menin, the Director of the Office of the Census will lead the City's Census 2020 effort in partnership with DYCD and other City agencies. The staff paid for through DYCD's budget are expected to be deployed from the Office of the Census. DYCD's OTPS increase will fund contracts with community-based organizations to conduct outreach and for advertising. The contracts for this Census work will go through an "expedited RFP" to disburse funds.
- **NYCHA Community Center Maintenance.** The Budget includes baseline funding of \$2 million in Fiscal 2020, for maintenance work at all DYCD administered NYCHA Cornerstone centers. DYCD's budget previously included \$2 million for facilities maintenance. The Executive Plan brought both DYCD's and the Department for the Aging's (DFTA) allocation for NYCHA facilities repairs to a total of \$4 million. The actual repairs protocol between providers, DYCD, NYCHA, and OMB has yet to be determined. Funding could go directly to NYCHA for their facilities team to make repairs; DYCD could procure a repair service; or a provider's contract could be amended so it could directly coordinate the repair. In total there are 198 NYCHA centers; 93 are Cornerstones and 105 are DFTA senior centers.

Changes by Program Area

- **Other Youth Programs (OYP).** The Fiscal 2020 Executive Plan includes \$9.3 million for DYCD's Other Youth Programs, a difference of \$49 million from the Fiscal 2019 Adopted Budget's \$58.4 million. This amount is reduced by \$900,000 from its Fiscal 2020 Preliminary Budget. The shifts in funding are directly tied with the new RFP released on May 1, 2019 for the reintroduced "Advance and Earn" program, previously the Young Adult Internship Program (YAIP) and the Young Adult Literacy Program. The funding for this program came through the Office of Economic Opportunity (OEO), as the latter programs had previously been funded, at this point in time. The total funding for Advance and Earn is approximately \$13 million. The remaining difference of \$48 million, under OYP, comes in the form of year-over-year funding from the Council's discretionary awards.
- **Out-of-School Time (OST).** The Fiscal 2020 Executive Budget includes \$315 million for the Department's largest program area, OST, which funds afterschool programs for students in grades K-12. This funding level is \$27.8 million less than the Fiscal 2019 Adopted Budget of \$342.8 million.
- **Summer Youth Employment Program (SYEP).** The Fiscal 2020 Executive Budget includes approximately \$126.8 million for SYEP, a difference of \$17.3 million less than the Fiscal 2019 Adopted Budget. After the release of the Executive Budget, \$11.9 million for 5,000 slots will be reflected for Fiscal 2020, increasing to a total of 75,000 slots.

- **Adult Literacy.** The Fiscal 2020 Executive Budget provides \$18.6 million for DYCD's Adult Literacy Services, down from \$20.6 million in the Fiscal 2019 Adopted Budget. Not included in the current Plan is \$12 million in one-year funding from the Council and the Administration to support supplemental activities in Fiscal 2020. However, the Council and the Administration announced on May 6, 2019, the restoration of the Fiscal 2019 one-shot funding totaling \$8 million in Fiscal 2020 will be seen at Adoption.
- **Community Development Programs.** Community Development Programs at DYCD are budgeted at approximately \$55.2 million in the Fiscal 2020 Executive Budget, \$11 million less than the Fiscal 2019 Adopted Budget of \$60.8 million. The program gap of approximately \$42 million appears narrowed by the inclusion of \$22 million allotted for the Census. However, absent remains Council discretionary allocations, which totaled \$40 million for Fiscal 2019 and year-by-year recognition of federal revenue.

Budget Issues

The following section outlines areas of concern in DYCD's Fiscal 2020 Executive Budget and the potential impact of their exclusion from the Executive Budget. The Fiscal 2020 Executive Budget fails to address several issues raised by the Council in its Preliminary Budget Response pertaining to DYCD.

- **Expansion of Comprehensive After School System (COMPASS) Programming for Elementary Students and the Redesign and Expand COMPASS for Elementary Students.** For the past three years, the Council and Administration have operated in conjunction to reinstate COMPASS slots lost in DYCD's 2015 procurement process and to increase capacity in current programs for students in grades K-5. Simultaneously, the Administration has attained its objective to deliver universal afterschool programming to middle school students, in grades 6-8, under School's Out NYC (SONYC). To shrink the gap in programming between the two age groups, the Council Fiscal 2020 Response included previous one-year restorations. After the release of the Executive Budget, the Council and the Administration announced \$6.2 million would be reinstated for approximately 6,000 COMPASS slots for Fiscal 2020.

In addition, the Council called on the Administration to add \$90 million to redesign and expand the COMPASS elementary program by improving and offering new programs, refreshing existing models, and expanding the number of slots from roughly 47,000 to 100,000. There are approximately 500,000 students in kindergarten through 5th grade enrolled in DOE schools. The DYCD COMPASS elementary afterschool program can accommodate only nine percent of this population.

The Fiscal 2020 Executive Budget adds no new slots under COMPASS, by contrast, the Administration reduced approximately 4,300 of the 5,000 slots from the "wraparound" portion of COMPASS services, for mandated elementary summer school students. Specifically, the Fiscal 2020 Executive Plan includes a baseline reduction of approximately \$2.5 million. The Administration has confirmed these changes are categorized as a right-sizing due to under enrollment in Fiscal 2019. The total budget for the COMPASS elementary wraparound program area was approximately \$2.9 million prior to this reduction. The savings came without a loss of direct services, or contract losses, however the Agency is still working on how to best diffuse the remaining 700 slots over the upcoming summer season. Arguably a difficult decision for an

Agency with 94 percent of its budget in contracts, the Council would have preferred this proposed restoration in funding be rolled into this requested action.

- **Restoration of Summer SONYC.** Since Fiscal 2014, the Summer SONYC program has been funded in one-year increments, and in progressively smaller proportions. The Council called upon the Administration to permanently commit to summer SONYC at last year's level of \$15 million in its Fiscal 2020 Preliminary Budget Response. As of now, the Administration has not restored any of its past summer SONYC programming, arguing that the program is not a priority. This will leave approximately 22,800 middle school students without any secure summer activities that both safeguard participants' wellbeing and lessen the effects of summer education forfeiture. Correspondingly, the Fiscal 2020 Executive Plan includes a baseline reduction of \$3 million from SONYC, due to underspending in the program. The Administration has identified this reduction as a right-sizing of this program due to under enrollment which will not impact the budgeted 52,000 baselined slot allotment for Fiscal 2020. The Council would have preferred this funding be shifted into high-demand after-school programs.

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
DYCD Budget as of the Fiscal 2019 Adopted Budget	\$638,561	\$233,579	\$872,141	\$484,030	\$233,053	\$717,083
New Needs						
Summer Youth Employment Program	\$0	\$0	\$0	\$30,775	\$1,900	\$32,675
Subtotal, New Needs	\$0	\$0	\$0	\$30,775	\$1,900	\$32,675
Other Adjustments						
Adult Literacy Transfers	(\$3,090)	\$0	(\$3,090)	\$0	\$0	\$0
Afterschool Services	0	0	0	14,000	(14,000)	0
Agency Accruals & Vacancy Reduction	(4,900)	0	(4,900)	(548)	0	(548)
Beacons Phase 1 & 2 Amendment	0	3,196	3,196	0	3,773	3,773
CACFP Adjustments and Grants	0	4,200	4,200	0	0	0
City Service Corp Transfers	548	0	548	0	0	0
Collective Bargaining & DC37 Collective Bargaining	754	0	754	1,299	0	1,299
COMPASS State Increase	0	1,038	1,038	0	0	0
Crisis Management System (CMS) Transfer	1,500	0	1,500	0	0	0
CSBG Grants	0	5,811	5,811	0	0	0
Manager & OJ Titles	443	0	443	759	0	759
Member Items	(1,453)	0	(1,453)	0	0	0
Mod for YAIP plus I/C & IC W/ DYCD - AmeriCorps	0	1,095	1,095	0	119	119
NCFL Families Learning Summit & Saturday Sessions	0	80	80	0	0	0
RHY State Increase and ESG Funding	0	740	740	0	0	0
SYEP TANF State Contribution	0	20,781	20,781	0	0	0
Subtotal, Other Adjustments	(\$6,198)	\$36,941	\$30,743	\$15,510	(\$10,108)	\$5,402
TOTAL, All Changes Prelim.2020	(\$6,198)	\$36,941	\$30,743	\$46,285	(\$8,208)	\$38,077
DYCD Budget as of the Fiscal 2020 Preliminary Plan	\$632,363	\$270,520	\$902,883	\$530,315	\$224,845	\$755,160
New Needs – Exec. 2020						
Census 2020	\$250	\$0	\$250	\$25,891	\$0	\$25,891
NYCHA Community Center Maintenance	0	0	0	2,000	0	2,000
Subtotal, New Needs	\$250	\$0	\$250	\$27,891	\$0	\$27,891
PEG's – Exec. 2020						
COMPASS Elementary Wraparound	\$0	\$0	\$0	(\$2,495)	\$0	(\$2,495)
Hiring Freeze Savings	(49)	0	(49)	(591)	0	(591)
Rent Savings	0	0	0	(1,039)	0	(1,039)
Revenue for Afterschool	0	0	0	(4,700)	0	(4,700)
Unallocated SONYC expansion funding	0	0	0	(3,000)	0	(3,000)
Subtotal, PEG's	(\$49)	\$0	(\$49)	(\$11,825)	\$0	(\$11,825)
Other Adjustments - Exec. 2020						
Agency Phone Plan Review	\$0	\$0	\$0	(\$41)	\$0	(\$41)
City Service Corps (ACS)(DSNY)(DSS)(MOCJ)(MOCJ)	(207)	0	(207)	0	0	0
CSBG Increase	0	1,345	1,345	0	0	0
CSC System Upgrade	0	22	22	0	0	0
FY-19 Ladders for Leaders	0	145	145	0	0	0
Heat, Light and Power	5	0	5	17	0	17
I/C DYCD FY19	0	83	83	0	0	0
L41 Private Mod	0	1,076	1,076	0	0	0
Lease Adjustment	0	0	0	(191)	0	(191)
Member Items	149	0	149	0	0	0
OEO Funding Adjustment	0	0	0	9,792	0	9,792
SYEP for Cure Violence Participants	(44)	0	(44)	(148)	0	(148)
YMI Adjustment	0	0	0	(1,189)	0	(1,189)
Administrative Expense Reduction	0	0	0	(250)	0	(250)
Subtotal, Other Adjustments	(\$97)	\$2,671	\$2,574	\$7,991	\$0	\$7,991
TOTAL, All Changes - Exec. 2020	\$104	\$2,671	\$2,775	\$24,056	\$0	\$24,056
DYCD Budget as of the Fiscal 2020 Executive Plan	\$632,717	\$273,191	\$905,658	\$582,262	\$224,845	\$779,217