



New York City Council

Christine C. Quinn, Speaker

Finance Division

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Hearing on the Mayor's Fiscal Year 2012 Executive Budget

Department of Youth and Community Development

May 19, 2011

The Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

The Committee on Youth Services

Hon. Lewis Fidler, Chair

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Overview

The Department of Youth and Community Development (DYCD) supports youth and adults through 2,700 contracts with community-based organizations throughout New York City. These include 491 contracts that comprise the citywide Out-of-School Time (OST) initiative. DYCD also funds 296 programs to help low-income individuals and families become more economically self-sufficient and 39 adult literacy programs that help participants further their education and advance their careers. In addition, DYCD now funds 10 adolescent literacy and 15 family literacy programs. The Department also administers a network of 80 Beacon community centers, housed in public schools citywide, which serve youth, adults and families during out-of-school hours. Through a range of programs, DYCD contractors assist immigrants in becoming citizens and in taking part in the civic and cultural life of their new communities. In addition, DYCD implements and oversees the City's youth workforce development program, providing summer employment and year-round services to introduce youth and young adults to the job market and help them develop the skills to succeed. DYCD is also responsible for the City's runaway and homeless youth programs.

Department of Youth and Community Development Financial Summary

Dollars in Thousands

	2009 Actual	2010 Actual	2011 Adopted	2011 Exec. Plan	2012 Exec. Plan	Difference 2011–2012*
Spending						
Personal Services	\$26,190	\$27,372	\$27,435	\$28,294	\$26,528	(\$906)
Other Than Personal Services	356,515	378,527	324,117	332,562	232,705	(91,412)
TOTAL	\$382,705	\$405,899	\$351,552	\$360,856	\$259,233	(\$92,318)
Budget by Program Area						
Adult Literacy	\$13,775	\$17,354	\$12,464	\$12,591	\$5,167	(\$7,298)
Beacon Community Centers	51,431	56,614	54,994	53,080	47,154	(7,840)
Community Development Programs	41,174	46,811	39,130	41,858	23,798	(15,332)
General Administration	21,684	22,232	22,148	22,487	21,952	(197)
In-School Youth Programs (ISY)	13,456	17,426	14,317	8,369	7,664	(6,653)
Other Youth Programs	47,712	42,423	40,140	40,608	15,997	(24,143)
Out-of-School Time (OST)	117,728	108,744	111,422	100,200	82,894	(28,527)
Out-of-School Youth Programs (OSY)	8,369	15,914	8,516	17,776	15,918	7,402
Runaway and Homeless Youth (RHYP)	11,098	12,066	12,809	12,757	5,464	(7,345)
Summer Youth Employment Program (SYEP)	56,279	66,314	35,612	51,131	33,227	(2,385)
Total	\$382,705	\$405,899	\$351,552	\$360,856	\$259,233	(\$92,319)
Funding						
City Funds	N/A	N/A	\$174,208	\$162,747	\$153,924	(\$77,656)
<i>Memo: Council Funds</i>	N/A	N/A	57,373	60,743		
Federal	N/A	N/A	82,771	101,434	74,170	(8,601)
Intra-City	N/A	N/A	0	2,000	0	0
Other Categorical	N/A	N/A	25,654	25,736	25,515	(139)
State	N/A	N/A	11,547	8,196	5,624	(5,923)
TOTAL	\$382,705	\$405,899	\$351,552	\$358,856	\$259,233	(\$92,319)
Positions						
Full-time Positions	384	386	386	398	383	(3)
TOTAL	384	386	386	398	383	(3)

The Fiscal 2012 Executive Budget reflects a \$92.3 million decrease when compared to the Fiscal 2011 Adopted Budget for DYCD. This decrease can be attributed to three factors. First, the Fiscal 2011 Adopted Budget included approximately \$57.3 million in City Council funding (including funding for Council initiatives, Programs to Eliminate the Gap [PEG] restorations, and local discretionary). As Council funding is renegotiated annually and allocated on a one-time basis, it is not included in the Fiscal 2012 Budget. Second, the City’s PEG program for DYCD totaled approximately \$18.7 million for Fiscal 2012. Third, a loss of \$13.7 million as a result of expired federal stimulus funding and State reductions for youth-related services.

Fiscal 2012 Executive Budget Actions

- ☑ **Reduce OST Option I Elementary and Middle School Slots.** DYCD proposes a reduction of 2,073 elementary school slots and 498 middle school slots in Fiscal 2012.
- ☑ **Additional Funds for OST Program.** DYCD will increase City Tax Levy (CTL) funding in order to leverage private donations for 637 OST summer slots.
- ☑ **Elimination of Family Literacy Programs.** DYCD proposes to eliminate funding for all family literacy programs which serve approximately 300 families.

Budget Actions in the Executive Plan

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of February 2011 Plan	\$223,475	\$136,510	\$359,985	\$157,422	\$100,404	\$257,826
Programs to Eliminate the Gap (PEGs)						
Eliminate Family Literacy	\$0	\$0	\$0	(\$2,080)	\$0	(\$2,080)
Funds for OST	0	0	0	1,000	0	1,000
Reduce OST I Elementary and Middle School Slots	0	0	0	(4,039)	0	(4,039)
Total, PEGs	\$0	\$0	\$0	(\$5,118)	\$0	(\$5,118)
New Needs						
Online Program Management System	\$0	\$0	\$0	\$400	\$0	\$400
Total New Needs	\$0	\$0	\$0	400	0	400
Other Adjustments						
Collective Bargaining	\$2	\$0	\$2	\$2	\$0	\$2
CSBG		1,842	1,842			0
FY11 WIA Fringe Adjustment		110	110			0
Lease Adjustment			0	1,219		1,219
NYC Service Program	14		14			0
Reduction in PS		(9)	(9)			0
State Budget Impact TANF SYEP			0		8,544	8,544
State Budget Impact YDDP Reduction		(889)	(889)		(3,104)	(3,104)
State Budget Impact RHYA Reduction		(178)	(178)		(514)	(514)
To Reduce HEAP PS Revenue		(20)	(20)		(20)	(20)
Total, Other Adjustments	\$16	\$856	\$872	\$1,221	\$4,906	\$6,127
Total, All Changes	\$16	\$856	\$872	(\$3,497)	\$4,906	\$1,409
Agency Budget as of the Executive 2012 Plan	\$223,490	\$137,366	\$360,856	\$153,924	\$105,308	\$259,232

Out of School Time

What is OST?

Out-of-School Time (OST) programs for youth is the largest after-school initiative in the nation. OST describes the major part of a young person's life that takes place outside of the school classroom – after school, on weekends, and during school vacations. Provided at no cost, the City's OST programs offer a balanced mix of academic support, sports and recreational activities, the arts and cultural experiences.

DYCD supports OST programs under three program options, of which Option I is the largest, supporting programs that are school or center-based and that serve youth in grades K-12. Option II programs are allowed to provide a much lower frequency and duration of school-based or center-based programming. Because Option II programs use private match funds to supplement at least 30 percent of their OST funding, they are allotted a lower per-child OST reimbursement than is used in either Option I or Option III programs. Option III programs operate in collaboration with the Department of Parks and Recreation during the school year.

The proposed budget for Out-of-School Time in Fiscal 2012 is \$28.5 million less than the Fiscal 2011 Adopted Budget. This can be attributed to a reduction of \$5.2 million in federal stimulus funding and a number of City and State budget actions, including the following:

- ☑ **Elimination of 2,571 Elementary and Middle School OST Option I Slots.** In the Executive Budget, DYCD proposes a reduction of \$4 million in Fiscal 2012 by eliminating funding for approximately 2,073 elementary school Option I slots and 498 middle school Option I slots.
- ☑ **Reductions to OST Option I School Holiday Availability.** In the November Plan, DYCD reduced the availability of OST Option I programs from 20 school holidays per year to 15 in 2011, and proposed a further reduction to 14 days per year in Fiscal 2012 and in the outyears. According to the Department, it conducted an analysis of participation rates among these centers during school holidays.

As a result, providers will determine which 5-6 holiday days will be reduced. DYCD projects a savings of \$6.1 million in Fiscal 2012 and in the outyears.

- ☑ **Fiscal 2011 PEG Restorations.** In the Fiscal 2011 Adopted Budget, the City Council restored almost \$9 million to DYCD's OST program budget. The Council restored \$5.95 million for 4,113 Option I slots and \$3 million for 7,474 Option II slots. However, DYCD has not baselined this funding, therefore it is not included in the Fiscal 2012 budget.

State Budget Actions

- ☑ **Youth Development and Delinquency Prevention (YDDP) Reduction.** The Fiscal 2011-12 State Budget reduced funding for various programs under its Office of Children and Family Services (OCFS), including the YDDP prevention fund. As a result, the OST program budget was reduced by \$3.1 million and 2,143 Option I slots will be eliminated in Fiscal 2012.

New Needs

- ☑ **OST Online Program Management System.** In the Fiscal 2012 Executive Budget DYCD proposes an increase of \$400,000 in Fiscal 2012 and in the outyears for support of its online system, which tracks enrollment and attendance in OST as well as Beacon, and Cornerstone programs.
- ☑ **Additional of Funds for OST.** In the Fiscal 2012 Executive Budget, DYCD proposes DYCD

proposes a \$1 million increase in City Tax Levy (CTL) in order to leverage private donations from New York Community Trust for the preservation of 637 OST summer slots.

- ☑ **10,500 New OST Slots for former ACS child care recipients.** In the Fiscal 2012 Preliminary Budget, the Administration for Children's Services (ACS) declared that the loss of federal and State funding, and the rising cost of child care services resulted in a \$95 million deficit, causing it to eliminate approximately 16,500 child care subsidies. With the release of the Fiscal 2012 Executive Budget, the Administration announced plans to reduce the ACS child care deficit by including \$40 million to provide child care services for approximately 4,400 children between the ages of zero to four, and to expand the number of OST slots by 10,500 for children between the ages of five to twelve. The intra-city agreement between ACS and DYCD for OST slots is approximately \$21 million. This funding is not yet reflected in DYCD's budget. However, proposed reductions to the OST program still remain for Fiscal 2012 and if implemented, will reduce Option I slots by approximately 8,190.

Beacon Community Centers and the Cornerstone Initiative

What are Beacon Programs?

The Beacon Program represents an extension of the City's commitment to deliver efficient and improved quality educational opportunities to youth. Each Beacon program works collaboratively with the host school and the community, and engages the Community Advisory Council comprising parents, youth, school personnel, community representatives, local merchants, health care professionals, substance abuse prevention and/or treatment providers, law enforcement personnel and representatives of other community-based organizations. Currently, there are 80 Beacons located in public school buildings throughout New York City. Beacon Community Centers operate a minimum of six (6) days and 42 hours a week in the afternoons and evenings, on weekends, during school holidays and vacation periods, and during the summer.

Also funded in the Beacon program budget is the Cornerstone Initiative. Cornerstone programs are designed to help participants acquire the skills and attitudes they need to graduate from high school, succeed in their chosen career, and give back to the community. Typical youth activities include sports, literacy, and skills building activities. Cornerstone adult programs are designed to enhance skills and promote social interaction, community engagement, and physical activity. Typical adult activities include adult basic education (ESOL and GED), and family relations related activities.

The proposed budget for Beacon community centers in Fiscal 2012 is \$7.8 million less than the Fiscal 2011 Adopted Budget. This reduction can be attributed to proposed City funding reductions including:

- ☑ **Reduction to Beacon Contracts.** In the November Plan, DYCD proposed a ten percent funding reduction to the 66 City-funded Beacon programs located in public schools in Fiscal 2012. The reduction averages approximately \$38,000 from each Beacon's budget, possibly resulting in staff reductions.
- ☑ **New York City Housing Authority (NYCHA) Cornerstone Reductions.** In the November Plan, DYCD reduced holiday services from 20 holidays per year to 15 in its NYCHA cornerstone program for a savings of \$833,000 in Fiscal 2011. The Department also proposes to eliminate 632 of 5,917 slots in its NYCHA Cornerstone programs in Fiscal 2012 for a savings of \$1.1 million.
- ☑ **Fiscal 2011 PEG Restorations.** In the Fiscal 2011 Adopted Budget, the Council

restored \$4.1 million to Beacon program providers. However, DYCD has not baselined this funding, therefore it is not included in the Fiscal 2012 budget.

Runaway and Homeless Youth (RHY)

What is RHY?

DYCD funds programs charged with giving vulnerable young people the resources they need to get off the streets and stabilize their lives. These services include Street Outreach and Referral Services as well as Drop-In Centers and transportation. For youth in need of more intensive assistance, crisis shelters offer safe and welcoming environments on a short-term basis while Transitional Independent Living facilities combine longer-term shelter with training and support designed to put formerly homeless youth on the path to independence.

The proposed budget for runaway and homeless youth in Fiscal 2012 is \$7.3 million less than the Fiscal 2011 Adopted Budget. This can be attributed to the expiration of \$139,000 in federal (stimulus) funding and a number City and State budget actions including:

- ☑ **Reduction of Runaway and Homeless Youth Funding.** In the November Plan DYCD proposed a \$569,000 reduction to three drop-in centers, and two street outreach contracts in Fiscal 2011, which the Council negotiated with the Administration to restore (plus an additional \$400,000 resulting from a State reduction). However, in Fiscal 2012, DYCD proposes a \$330,000 reduction to five drop-in centers and the elimination of two street outreach contracts.
- ☑ **Fiscal 2011 PEG Restorations.** In the Fiscal 2011 Adopted Budget, the Council restored \$5.99 million to DYCD's budget for RHY services. The funding provided support for RHY drop-in services, as well as 147 of DYCD's 252 shelter beds. However, DYCD has not baselined this funding, therefore it is not included in the Fiscal 2012 budget.
- ☑ **Reduction of State Runaway and Homeless Youth Act (RHYA) Funding.** The RHY program budget was reduced by \$886,000 as a result of two consecutive State budget reductions to RHYA, reducing street outreach and drop-in services, and eliminating approximately 19 shelter beds.

Adult Literacy

What is Adult Literacy?

DYCD is a partner in the New York City Adult Literacy Initiative (NYCALI), which is the City's system for coordination of literacy services. Services under this initiative include basic education, English-language, and high school equivalency programs that serve adult learners.

Also included in this program budget is funding for Family Literacy Services. DYCD's Family Literacy Programs help parents become full partners in their children's education. The goal is to not only build language skills, but also strengthen families and encourage parents to be active within their schools.

The proposed budget for Adult Literacy in Fiscal 2012 is \$7.3 million less than the Fiscal 2011 Adopted Budget. This can be attributed to a reduction of \$1.7 million in federal stimulus funding and proposed City funding reductions, which include the following:

Elimination of Family Literacy Program. In the Executive Budget DYCD proposes to eliminate the Family Literacy portion of its Adult Literacy program. Under this proposal funding for 15 family literacy programs which provide services to approximately 300 families will be eliminated, generating a projected savings of \$2.2 million in Fiscal 2012 and in the outyears.

Adult Literacy Request for Proposals (RFP). In December 2011, DYCD released an Adult Literacy RFP which is considerably less than

the one previously released in Fiscal 2005, which totaled approximately \$8.4 million and included City tax levy (CTL) funding and a portion of CSBG and CDBG funding. The RFP released earlier this year is approximately \$2 million or 76 percent less. Such a significant reduction would result in huge slot reductions for General Education Development (GED) and English for Speakers of Other Language (ESOL) services.

Fiscal 2011 PEG Restorations. In the Fiscal 2011 Adopted Budget, the Council restored \$3.5 million to DYCD's budget for adult literacy contracts. However, DYCD has not baselined this funding therefore it is not included in the Fiscal 2012 budget.

Summer Youth Employment Program (SYEP)

What is SYEP?

The purpose of the Summer Youth Employment Program (SYEP) is to provide New York City youth, between the ages of 14 through 24, with summer employment and educational experiences that build on their individual strengths and incorporate youth development principles. SYEP program participants work in a variety of entry-level jobs at community-based organizations, government agencies and private sector businesses and are paid up to 25 hours per week for seven weeks at \$7.25 per hour.

The proposed budget for summer youth employment in Fiscal 2012 is \$2.4 million less than the Fiscal 2011 Adopted Budget. This can be attributed to the expiration of federal (stimulus) funding and City Budget actions, including the following:

Reduction of Summer Youth Employment Slots. In the November Plan, DYCD proposed a savings of \$3.2 million in Fiscal 2012 and in the outyears from the elimination of approximately 2,140 summer job slots in calendar year 2011. Last fiscal year DYCD was able to provide employment for 35,725

SYEP applicants. However, as a result of the expiration of stimulus funding and proposed reductions to the program, it may only be able to provide employment to approximately 20,000 applicants next fiscal year.

Council Funding

City Council funding provides approximately 24.7 percent of the Department's annual City funds operating budget. This includes the initiatives and restorations funded below totaling \$36.1 million and Council Member items which total approximately \$21.2 million, for a combined total of \$57.4 million. The following is a list of Council funded items included in the Fiscal 2011 Adopted Budget. Please note that Council funding is not baselined, therefore, does not appear in the Fiscal 2012 Executive Budget.

FY 2011 Council Changes at Adoption by Program Area	
<i>Dollars in Thousands</i>	
Initiative	Funding
Adult Literacy PEG Restoration	\$3,500
Adult Literacy Services	1,500
Advocates for Children Helpline	200
After-Three Corporation	3,800
Beacon Centers PEG Restoration	4,100
Expand Access to Fresh Produce	420
Food Pantries Initiative	570
Household Compositing Program	45
Immigrant Opportunity Initiative	4,500
New York Junior Tennis League	800
Out-of School Time (OST Option II)	3,050
Out-of-School Time (OST Option I)	5,950
Shelter Beds for At Risk, Runaway & Homeless Youth	5,990
Sports and Arts in Schools	1,200
YMCA of Greater New York/Virtual Y	500
Total Council Funded Initiatives and PEG Restorations	\$36,125
Council Discretionary	\$7,737
Local Initiatives	13,511
Total Council Discretionary	\$21,248
Total Council Funding	\$57,373

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2010 Plan	\$231,581	\$128,516	\$360,097	\$159,795	\$102,454	\$262,249
Program to Eliminate the Gap (PEGs)						
Center for Economic Opportunity (CEO) Contracts Reduction	(\$92)	\$0	(\$92)	\$0	\$0	\$0
Beacon Contracts Reduction	(2,496)	-	(2,496)	(2,634)	-	(2,634)
Beacon Contracts Partial Restoration	1,248	0	1,248	0	0	0
Council Discretionary Programs Funding Reduction	(1,878)	-	(1,878)	0	0	0
Council Discretionary Programs Funding Partial Restoration	1,000	0	1,000	0	0	0
Literacy Contracts Reduction	(465)	-	(465)	(242)	-	(242)
NYCHA Cornerstone Reductions	(833)	-	(833)	(1,106)	-	(1,106)
NYCHA Cornerstone Partial Restoration	153		153	0	0	0
Out of School Time (OST) Option 1 School Holiday Availability Reductions	(6,189)	-	(6,189)	(6,052)	-	(6,052)
Runaway Homeless Youth Services Reduction	(569)	-	(569)	(330)	-	(330)
Runaway Homeless Youth Services Restoration	969	0	969	0	0	0
Summer Youth Employment Program (SYEP) Slots Reduction	0	-	0	(3,238)	-	(3,238)
Total PEGs	(\$9,152)	\$0	(\$9,152)	(\$13,601)	\$0	(\$13,601)
Other Adjustments						
CEO Funding Adjustment	\$0	\$0	\$0	\$11,200	\$0	\$11,200
CSBG (Community Development Block Grant) ARRA FY11 Carryover	0	2,656	2,656	0	0	0
CSBG ARRA Rollover	0	872	872	0	0	0
CSBG SYEP FY11	0	1,609	1,609	0	0	0
SYEP 2010 Mayor's Funds	0	2,000	2,000	0	0	0
State Cut Adjustment	0	(2,550)	(2,550)	0	(2,550)	(2,550)
State Adjustment Fix	0	245	245	0	245	245
WIA (Workforce Investment Act) ARRA A-OTPS Preliminary Carryover	0	45	45	0	0	0
WIA ARRA OTPS Carry-In	0	1,159	1,159	0	0	0
WIA ARRA OTPS Preliminary Carryover	0	367	367	0	0	0
WIA ARRA PS & A-OTPS Carry-In	0	306	306	0	0	0
Increase Funds for Part Year 5	0	510	510	0	255	255
Discretionary Contract adjustments	1,045	777	9,041	28	0	28
Total Other Adjustments	\$1,045	\$7,996	\$9,041	\$11,228	(\$2,050)	\$9,178
Agency Budget as of January 2011 Plan	\$223,475	\$136,510	\$359,985	\$157,422	\$100,404	\$257,826