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 2021 Executive Budget for the

Department of Youth and Community Development

May 20, 2020

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Department of Youth and Community Development's Overview

This report offers a review of the Department of Youth and Community Development's (DYCD or Department's) $598.3 million Fiscal 2021 Executive Budget. The section below presents an overview of the Department's budget, followed by a review of noteworthy budget actions presented in the Executive Financial Plan. This report closes with the risks connected to the Department's budget. For additional information on DYCD's budget please refer to the Fiscal 2021 Preliminary Budget Report at: https://council.nyc.gov/budget/wp-content/uploads/sites/54/2020/05/260-DYCD-FY21-Prelim-for-LRM.pdf

The table below delineates DYCD's actual budgets for Fiscal Years 2018 and 2019 and the Fiscal 2020 Adopted Budget, Fiscal 2020 current budget and the Fiscal 2021 Executive Budget. Included are the Fiscal 2020 Adopted Budget's difference compared to the Fiscal 2021 Executive Budget and the funding sources.

DYCD Financial Summary
Dollars in Thousands

	FY18 Actual	FY19 Actual	FY20 Adopted	Executive Plan FY20	Executive Plan FY21	*Difference FY20-FY21
Spending						
Personal Services	$41,067	$42,905	$45,621	$46,176	$43,002	($2,619)
Other Than Person Services	768,243	829,098	910,231	924,194	555,295	(354,936)
TOTAL	**$809,310**	**$872,003**	**$955,852**	**$970,370**	**$598,297**	**($357,555)**
Budget by Program Area						
Adult Literacy	$16,108	$16,878	$30,032	$23,752	$18,622	($11,410)
Beacon Community Centers	123,043	127,299	117,978	135,495	114,593	(3,385)
Community Development Programs	63,652	74,010	119,300	125,833	35,620	(83,680)
General Administration	25,057	26,113	71,834	23,760	39,006	(32,828)
In-School Youth Programs	4,290	3,993	4,463	4,457	4,474	11
Other Youth Programs	54,252	58,525	47,052	47,712	4,846	(42,206)
Out-of-School Time	331,949	345,331	346,839	370,015	306,594	(40,245)
Out-of-School Youth	14,787	13,645	16,187	17,128	16,098	(89)
Runaway and Homeless Youth	34,143	43,314	43,789	47,313	45,388	1,599
Summer Youth Employment Program	142,029	162,895	158,378	174,905	13,056	(145,322)
TOTAL	**$809,310**	**$872,003**	**$955,852**	**$970,370**	**$598,297**	**($357,555)**
Funding						
City Funds	$553,134	$608,498	$730,631	$709,031	$371,668	($358,963)
Other Categorical	2,120	2,045	0	1,861	0	0
State	7,182	7,040	5,275	7,015	5,275	0
Federal - Community Development	7,408	7,400	7,520	7,520	7,145	(375)
Federal - Other	77,468	80,017	55,018	86,209	61,899	6,881
Intra City	161,997	167,003	157,408	158,734	152,310	(5,098)
TOTAL	**$809,310**	**$872,003**	**$955,852**	**$970,370**	**$598,297**	**($357,555)**
Budgeted Headcount						
Full-Time Positions	483	480	568	576	569	1
Full -Time Equivalent Positions	49	64	5	13	6	1
TOTAL	**532**	**544**	**573**	**589**	**575**	**2**

**The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Executive Budget.*

Overall Changes to DYCD's Budget

- DYCD's Fiscal 2021 Executive Budget totals $598.3 million, including $43 million for personal services (PS) to support 569 full-time employees and $555.3 million for other than personal services (OTPS). The PS budget accounts for seven percent of DYCD's total budget, and the OTPS budget accounts for 93 percent, as DYCD is primarily a contracting agency.
- DYCD's Fiscal 2021 Executive Budget is approximately $357.5 million less than its Adopted Budget for Fiscal 2020. This overall decrease is largely due to the absence of approximately $107.9 million in one-time Council discretionary funding, budget cuts of $180.3 million, one-time negotiated funding totaling $46.6 million and the absence of non-city grants totaling $31 million added to DYCD's Fiscal 2020 Budget mid-year. Council initiatives equate to almost eleven percent of DYCD's total budget for the current fiscal year.
- The Fiscal 2021 Executive Budget introduces Program to Eliminate the Gap (PEG) savings that decrease DYCD's City tax-levy (CTL) budget by $15.4 million, or two percent in Fiscal 2020 and $177.3 million or 33 percent in Fiscal 2021. The cuts relate to the cancellation of DYCD's summer programs. According to DYCD, the program cancellations are required by school closures and the shelter in place healthcare protocols during the COVID-19 pandemic in the City. Cuts impacting summer service include $124 million in reductions across Fiscal 2020 and Fiscal 2021 cancelling the summer youth employment program (SYEP), a $42.3 million cut to the comprehensive afterschool school system (COMPASS), including $5.7 million from School's Out NYC (SONYC), a $17 million reduction from the Beacon and Cornerstone programs of $8.5 million each. The remaining, Fiscal 2020 and Fiscal 2021, $9.4 million in PEGs is a combination of agency accruals and technical adjustments stemming from the re-estimate of the indirect cost rate increase and a Community Service Block Grant swap for City tax-levy funds.

Changes by Funding Source

- **City Funds.** DYCD's Budget is primarily funded with CTL. CTL funds total $371.7 million in the Fiscal 2021 Executive Budget, $353 million less than the Fiscal 2020 Adopted Budget's $730.6 million. This largely reflects the absence of Council discretionary funding, which constitutes $107.9 million of the current Fiscal 2020 Executive Budget, and budget cuts. Additionally, there are three programs funded in Fiscal 2020 that are not supported in the Executive Budget. They are summer SONYC, budgeted at $15 million in Fiscal 2020, Work, Learn, Grow (WLG) budgeted at $19.7 million and 5,000 additional SYEP slots budgeted at $11.9 million.
- **Non-City Funds.** The Fiscal 2021 Executive Budget recognizes a net decrease of $170.6 million, including a $5 million decrease in Intra City transfers from the Department of Education (DOE) to DYCD. This estimated underspending in afterschool programming was taken as a PEG savings in DOE's budget, offset by an increase of $6.5 million in combined Federal Block Grants and Federal Community Development resources.

Savings and Efficiencies

The PEGs introduced in the Fiscal 2021 Executive Budget decreased the Fiscal 2020 Budget by $15.4 million, or two percent, and the Fiscal 2021 Budget by $177.3 million, or 23 percent. These combined savings drastically reduce the size of the budget and more poignantly completely cancel programming for approximately 140,000 of the City's youth and 11,000 adults. See Appendix 1 for all the changes made to the Fiscal 2020 and Fiscal 2021 Budgets since Adoption of the Fiscal 2020 Budget.

Changes by Program Area

- **Other Youth Programs (OYP).** The Fiscal 2021 Executive Plan includes $4.8 million for DYCD's Other Youth Programs, a difference of $42.2 million from the Fiscal 2020 Adopted Budget's $47 million. Changes introduced in the Executive Plan include a Charter School transfer of $2.9 million to DOE's budget and the CSBG realignment of $1.2 million. The remaining difference of $43.6 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 2021 Executive Budget includes $306.6 million for the Department's largest program area, OST, which funds afterschool programs for students in grades K-12. This funding level is $40.2 million less than the Fiscal 2020 Adopted Budget of $346.8 million. The bulk of this reduction is due to the PEG that cuts COMPASS and summer SONYC by $42.3 million.
- **Summer Youth Employment Program (SYEP).** The Fiscal 2021 Executive Budget includes approximately $13.1 million for SYEP, $145.3 million less than the Fiscal 2020 Adopted Budget. The Administration announced in April that SYEP would be cancelled for the summer of 2020 due to the COVID-19 pandemic affecting services due to mandated social distancing protocols. The Financial Plan reduced the SYEP budget by $8 million in Fiscal 2020 and $116 million in Fiscal 2021. Notably, the Fiscal 2020 Adopted Budget increased the SYEP budget by $11.9 million, after negotiations between the Council and the Administration, adding 5,000 slots for summer 2019 programming. The $22.9 million remainder of SYEP's budget is found from the recognition of TANF funding in the November 2019 Plan.
- **Adult Literacy.** The Fiscal 2021 Executive Budget provides $18.6 million for DYCD's Adult Literacy Services, down from $30 million in the Fiscal 2020 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 2021.
- **Community Development Programs.** Community Development Programs at DYCD are budgeted at approximately $35.6 million in the Fiscal 2021 Executive Budget, $83.7 million less than the Fiscal 2020 Adopted Budget of $119.3 million. The gap is due to the exclusion of $40 million added in Fiscal 2020 for NYC Census, of which $14 million was added by the Council. Also absent are the Council discretionary allocations, which totaled $47 million for Fiscal 2020, and year-by-year recognition of federal revenue.

COVID-19

In March 2020, the number of confirmed COVID-19 cases in New York City accelerated quickly, leading to a citywide halt of nonessential businesses and services. The subsequent economic fallout created a significant budget shortfall for New York City. The Executive Financial Plan proposed a two-year savings package totaling $2.1 billion with $824 million in savings for Fiscal 2020 and $1.49 billion for Fiscal 2021 for DYCD.

The Fiscal 2021 Executive Budget includes $276,000 for COVID-19 related spending in Fiscal 2020 and no funding for Fiscal 2021. The Independent Budget (IBO) released a fiscal brief estimating how Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding could be designated through a Community Service Block Grant (CSBG) totaling $32 million to DYCD.

As previously mentioned, the PEGs in DYCD's Budget reduced the total budgets in Fiscal 2020 by $15.4 million, or two percent and in Fiscal 2021 by $177.3 million, or 30 percent. As the result of the mandated social distancing measures and sanctions from the Department of Health and Mental Hygiene (DOHMH) and DOE public school closures, programmatic modifications had to occur throughout DYCD's portfolio. Below are some of the service changes implemented. The Agency is also publishing COVID-19 related changes on their website. https://www1.nyc.gov/site/dycd/services/DYCD-funded-programs.page

Service Alterations

- **The Runaway Homeless Youth (RHY).** RHY residential programs have remained operational but had to reduce or modify hours while incorporating virtual supports and reductions in capacity in order to manage isolation space for symptomatic residents. Five of the eight citywide Drop-In Centers have modified schedules, some locations have been closed and temporarily shifted to remote services and offering services at their posted alternative locations. The agency is conducting a weekly coordinated call with providers. On March 26, 2020, DYCD reported one COVID-19 positive client, who was placed in isolation in that shelter. On April 15, 2020, DYCD reported to a provider there were 26 RHY clients in isolation throughout the shelter system. As of April 24, 2020, 700 of the 777, or 90 percent of the budgeted RHY beds were online, while the remainder were offline to maintain isolation and social distancing protocols. On May 5, 2020, nineteen Youth Hotel Isolation beds came online and one youth was admitted and remains in isolation in that hotel.

- **COMPASS.** COMPASS providers switched to remote programming models when schools closed in March. The COMPASS portfolio has 315 citywide programs and all but nine have transitioned to remote services. Providers have collaborated with their home school and developed remote activity plans and are helping support students through distanced learning. The DOE invited COMPASS providers to support in-person activities at the repurposed DOE Regional Enrichment Centers (REC). COMPASS provider staff have offered a range of personnel supports from running and collaborating within enrichment groups, to performing in administrative roles. Due to COVID-19, all DYCD-funded programs based in DOE schools are closed until schools reopen.

- **Beacon.** A total of 91 Beacon programs closed on March 16, 2020 with the closures of all New York City public schools. All Beacon programs were able to transition to remote platforms and continue offering afterschool services. Currently, there are nine Beacon providers supporting REC sites. Beacon sites are continuing adult supports remotely with the census completion, assistance with technology needs, and referrals to local food pantries and DOE Grab and Go sites.

- **Cornerstone.** A total of 61 Cornerstone locations, of the 94 citywide, transitioned to support handing out DOE Grab and Go meals, or are referring people other sites for pick-up. Additionally, the DOE is posting information on the program and how to find locations, https://www.schools.nyc.gov/school-life/food/free-meals. Of these sites, 39 Cornerstones are distributing food from the Child and Adult Care Food Program (CACFP) funded contractor that delivers meals to Cornerstones. DYCD had announced the closure of Cornerstones for one week

on March 17, 2020 which were subsequently reopened on March 22, 2020 to provide these emergency food services.

- **Workforce Development Programs.** All workforce development programs including, Intern and Earn, Train and Earn and the newly launched Advance and Earn program, have shifted to remote services. Work, Learn, Grow (WLG) concluded programming at the end of February just before the "Pause" was implemented. SYEP's funding was cut in the Fiscal 2021 Executing Budget leading to reinstatement outcries from advocates, providers, and Council Members, all calling on the Administration to reinstate programming under consideration of what could be possible for participants for summer 2020.

Budget Issues

Impacts from PEGs

The Fiscal 2021 Executive Budget cuts summer programs from SYEP, COMPASS, Beacon and Cornerstone sites. The absence of all these programs will leave approximately 140,000 youth and young adults without any services associated with these main programs.

SYEP's cut totaling $124 million eliminates paid job experiences for the older-youth cohort and stipends for project-based activities for the younger youth cohort. Fiscal 2020's SYEP program included ten models, with set aside slots for specific sects, including vulnerable participants, and youth from NYCHA MAP and NYCHA residences, as well as participants in Ladders for Leaders, to highlight a few. SYEP's program operates for six weeks, 15 hours per week, starting in July. With over 150,000 applications received this is a highly sought out program for participants across the City. All tallied this baseline cut removes programming for 70,000 participants and cancel contracts for 68 providers.

The COMPASS cut totaling $42.3 million cancels all summer programming for approximately 48,000 students and 133 providers. The Beacon cut totals $8.5 million and is estimated it would have served 18,200 children across their 91 sites run by 47 providers. The $8.5 million cut to Cornerstone camps are estimated to have eliminated services for 3,000 children, across their 94 sites run by 35 providers. Summer program hours are 8am-6pm, Monday through Friday, for six to eight weeks during the summer session. These programs provide safe and active engagement for children to foster healthy days and mitigate summer-learning loss, while providing families with needed childcare.

Given the economic and emotional impacts from COVID-19, restoring programming is vital for families across this City. In the case of SYEP, the loss of wages could be further impactful for many families that depend on them during regular years, let alone during an economic recession. The income lost per SYEP participant totals $2,250 per older youth and $700 per younger youth participant. That income would no longer be contributing to households. According to OMB Director, Melanie Hartzog[1] DYCD, DOE and Deputy Mayor Thompson's Office are working on a plan to offer summer youth programming, but the details of the proposal are not available.

[1] Hartzog, Melanie, Committee on Finance jointly with the Subcommittee on Capital Budget Fiscal 2021 Executive Budget Hearing, May 6, 2020, 55 minutes and 1:24 minutes.
https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=783163&GUID=6B7953D3-0110-4B9D-9533-C5DF58FF23DE&Options=&Search=

Appendix 1: Fiscal 2021 Budget Actions since Fiscal 2020 Adoption

	FY20			FY21		
Dollars in Thousands	City	Non-City	Total	City	Non-City	Total
DYCD Budget as of the Adopted FY20 Budget	**730,631**	**$225,221**	**$955,852**	**$541,479**	**$224,690**	**$766,169**
November 2019 Plan, New Needs						
Funding for the Indirect Cost Rate Initiative	3,739	0	$3,739	3,739	0	$3,739
Subtotal, New Needs	**$3,739**	**$0**	**$3,739**	**$3,739**	**$0**	**$3,739**
November 2019 Plan, Other Adjustments						
Adult Literacy Transfer- DOE	($150)	0	($150)	0	0	$0
Adult Literacy Transfer- MOIA	(1,685)	0	(1,685)	0	0	0
Agency Accruals	(1,000)	0	(1,000)	0	0	0
Agency Phone Plan Review	(15)	0	(15)	(31)	0	(31)
Align SYEP TANF Budget	0	22,863	22,863	0	0	0
City Service Corp Funding	0	274	274	0	25	25
COMPASS State Increase	0	1,038	1,038	0	0	0
CSBG Advance Interest	0	419	419	0	0	0
CSBG Attorneys	46	0	46	46	0	46
CSBG Realignment	0	3,927	3,927	0	0	0
Funding Transfer	(18)	0	(18)	(19)	0	(19)
FY20_DYCD_HOR	0	755	755	0	0	0
IBT l237 Non-LL56 groups	6	0	6	9	0	9
Ladders for Leader Private Funds Rev	0	1,861	1,861	0	0	0
MOME Ladders 4 Leaders -DYCD	0	148	148	0	0	0
Revenue Modification	0	4,040	4,040	0	0	0
RHY State Increase	0	702	702	0	0	0
Technical Adjustments	711	0	711	55	0	55
Subtotal, Other Adjustments	**($2,106)**	**$36,027**	**$33,922**	**$60**	**$25**	**$85**
TOTAL, All Changes	**1,634**	**36,027**	**37,661**	**3,800**	**25**	**3,826**
DYCD Budget as of the November 2019 Plan	**732,265**	**261,248**	**993,513**	**545,279**	**224,716**	**769,995**
FY21 Preliminary Plan, Other Adjustments						
Agency-wide underspending	(5,000)	0	(5,000)	(1,000)	0	(1,000)
AOTPS REALIGNMENT	0	(130)	(130)	0	0	0
City Service Corps Funding	0	(53)	(53)	0	(3)	(3)
Member Items	201	0	201	0	0	0
OEO funding adjustment	(600)	0	(600)	0	0	0
P3 Revenue budget realignment	0	72	72	0	0	0
Saturday Sessions FY20	0	61	61	0	0	0
Swap unallocated SONYC intra-city funds for SONYC CTL	0	0	0	(2,000)	0	(2,000)
YMI Adjustment.	(67)	0	(67)	0	0	0
Subtotal, Other Adjustments	**($5,466)**	**($50)**	**($5,516)**	**($3,000)**	**($3)**	**($3,003)**
TOTAL, All Changes	**($5,466)**	**($50)**	**($5,516)**	**($3,000)**	**($3)**	**($3,003)**
DYCD Budget as of the Preliminary FY21 Budget	**726,800**	**261,199**	**987,999**	**542,279**	**224,713**	**766,992**
FY21 Executive Plan, Other Adjustments						
AOTPS Realignment	$0	$0	$0	($0)	$3,910	$3,910
Charter School Transfer	(2,939)	0	(2,939)	(2,939)	0	(2,939)
City Service Corps (ACS)	8	0	8	4	0	4
City Service Corps (CEC)	0	0	0	1	0	1
City Service Corps (DOP)	240	0	240	11	0	11
City Service Corps (DDS)	1	0	1	2	0	2
City Service Corps (NYCHA) 1	0	21	21	0	0	0
CWA 1180 (Excl Admin Manager)	65	0	65	102	0	102

CWA L1180 (Admin Managers)	89	0	89	132	0	132
Heat, Light and Power	0	0	0	(1)	0	(1)
I/C EDC FY20	0	120	120	0	0	0
Member Items	166	0	166	0	0	0
OEO funding adjustment	0	0	0	9,500	0	9,500
Revenue Realignment	0	0	0	0	3,006	3,006
Silver Stars	0	0	0	(70)	0	(70)
Subtotal, Other Adjustments	**($2,370)**	**$140**	**($2,230)**	**$6,742**	**$6,916**	**$13,658**
FY21 Executive Plan, PEGs						
Agency Accruals	($3,000)	$0	($3,000)	($2,000)	$0	($2,000)
Beacon Summer Programming	0	0	0	(8,534)	0	(8,534)
COMPASS Elementary Summer Programming	0	0	0	(36,570)	0	(36,570)
Cornerstone Summer Programming	0	0	0	(8,536)	0	(8,536)
CSBG-CTL Swap	(3,000)	0	(3,000)	0	0	0
FY20 SYEP	(8,000)	0	(8,000)	0	0	0
FY21 SYEP	0	0	0	(115,984)	0	(115,984)
Indirect Cost Rate	(1,400)	0	(1,400)	0	0	0
SONYC Afterschool	0	0	0	0	(5,000)	(5,000)
SONYC Summer	0	0	0	(5,730)	0	(5,730)
Subtotal, PEGs	**($15,400)**	**$0**	**($15,400)**	**($177,354)**	**($5,000)**	**($182,354)**
TOTAL, All Changes	**709,030**	**261,339**	**970,369**	**371,667**	**226,630**	**598,297**
DYCD Budget as of the Executive FY21 Budget	**$709,030**	**$261,339**	**$970,369**	**$371,667**	**$226,630**	**$598,297**