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**Report to the Committee on Finance and the
Committee on Youth Services on the Fiscal
2024 Executive Plan**

**Department of Youth and
Community Development**

May 10, 2023

Prepared by Sandra Gray, Financial Analyst



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Department of Youth and Community Development Budget Overview

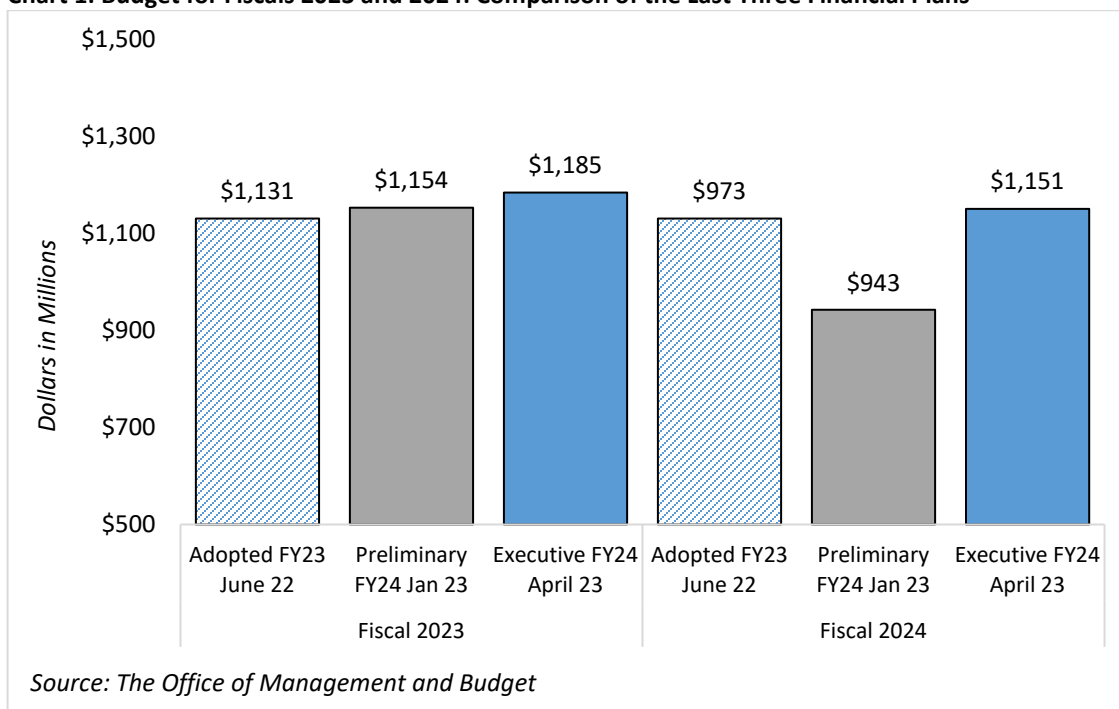
On April 26, 2023, the Administration released the Executive Financial Plan for Fiscal 2023-2027 (Executive Plan) which includes a proposed Fiscal 2024 budget of \$106.7 billion. This report offers a review of the Department of Youth and Community Development’s (the Department or DYCD) Fiscal 2024 Executive Budget, including proposed budget actions taken in the Executive Plan. For additional information on DYCD’s Preliminary budget, please refer to the Fiscal 2024 Preliminary Budget report at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2023/03/DYCD-1.pdf>

The Department’s projected Fiscal 2024 budget of \$1.2 billion represents less than one percent of the City’s proposed Fiscal 2024 budget in the Executive Plan.

DYCD’s Fiscal 2024 budget increased by \$208 million or 22 percent, from the \$943 million budgeted in the Fiscal 2024 Preliminary Financial Plan (Preliminary Plan) presented in January. The increase is the result of a number of actions taken, the most significant of which are: the increase of \$184.9 million for the program transfer of the Office of Neighborhood Safety (ONS) from the Mayor’s Office of Criminal Justice (MOCJ) to DYCD, \$23.9 million for Temporary Assistance for Needy Families (TANF), \$9.5 million for Office of Equal Opportunity (OEO) funding adjustment offset partially by a Program to Eliminate (PEG) reduction of \$9.1 million for Less Than Anticipated Spending for SYEP and WLG programs.

DYCD’s current Fiscal 2024 budget is \$20 million, or 1.7 percent greater than the agency’s Fiscal 2023 Adopted Budget of \$1.1 billion.

Chart 1: Budget for Fiscals 2023 and 2024: Comparison of the Last Three Financial Plans



Personal Services and Headcount

DYCD’s Executive Plan includes funding for a total of 517 full-time positions in the current year, increasing to 544 positions in Fiscal 2024. The Fiscal 2024 budget represents a reduction in projected DYCD headcount of seven positions compared to the Fiscal 2023 Budget at adoption.

In the Executive Plan, funding for DYCD’s personal services (all agency staffing related expenses) comprise \$49.4 million or 4.2 percent of the agency’s total Fiscal 2023 budget. This increases to \$49.8 million or 4.3 percent in Fiscal 2024.

Table 1: DYCD Spending and Budgeted Headcount Summary

	2021	2022	2023	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2023	2024	2023 - 2024
Spending						
Personal Services	\$46,788	\$44,074	\$46,359	\$49,409	\$49,802	\$3,442
Other Than Personal Services	812,601	927,494	1,084,852	1,135,274	1,101,591	16,740
TOTAL	\$859,388	\$971,568	\$1,131,211	\$1,184,683	\$1,151,393	\$20,182
Budgeted Headcount						
Full-Time Positions - Civilian	491	458	551	517	544	(7)
TOTAL	491	458	551	517	544	(7)

**The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Executive Budget.*

Funding Sources

DYCD’s budget is financed by City funds as well as State, federal and Intra-city funds. In the current financial plan, the Department’s primary funding source is City tax-levy. City funds comprise 74.5 percent or \$881.9 million of DYCD’s total funding in the current fiscal year, down from 78.9 percent, or \$892.6 million of the Department’s budget financed by City funds in the Adopted 2023 budget. City funds comprise 77.4 percent, or \$890.6 million of the Department’s Fiscal 2024 budget in the Executive Plan.

The DYCD’s Fiscal 2024 funding is \$20.2 million greater than the funding for Fiscal 2023 at adoption. \$208.4 million increase in its Fiscal 2024 budget between the 2024 Preliminary Plan and the 2024 Executive Plan is primarily the result of modifications to City, Federal and State Funds. These changes include:

City Funding

City funding in the Executive Plan for Fiscal 2024 is \$2.0 million greater than the amount allocated in Fiscal 2023 at adoption.

Federal Funding

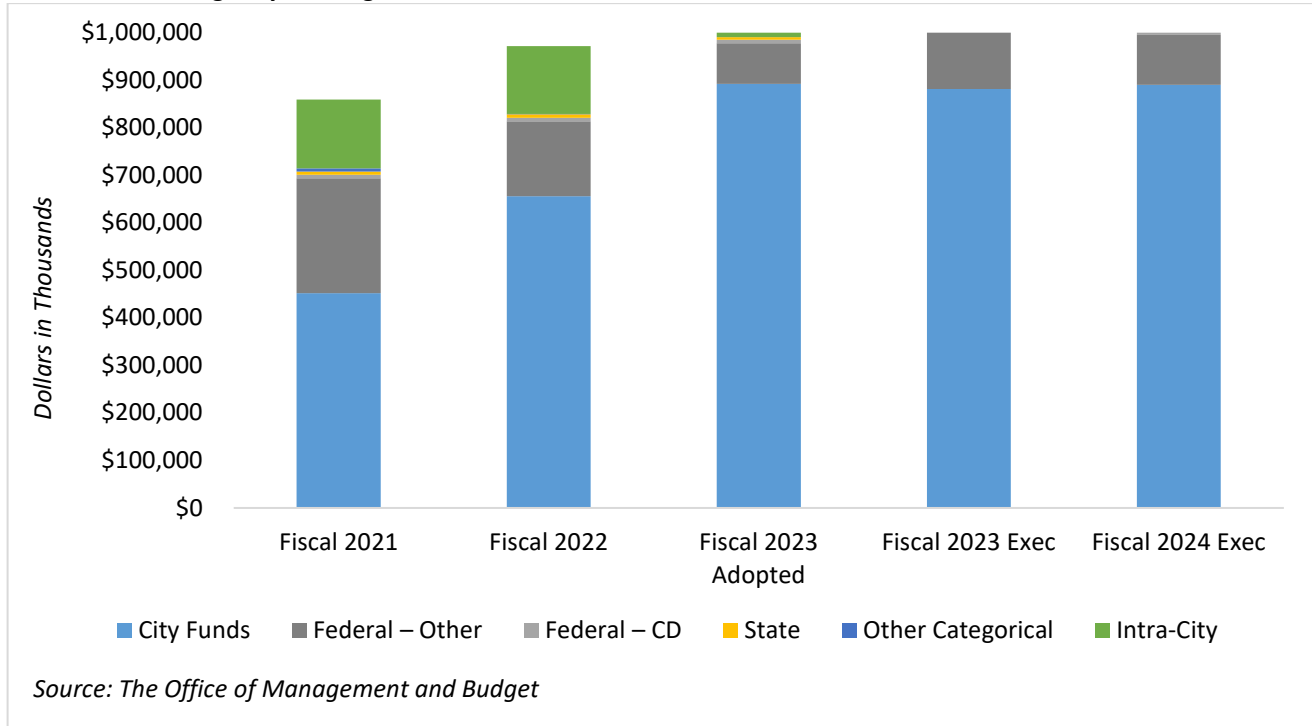
Federal funding is \$19.2 million greater in Fiscal 2024 in the Executive Plan that it was in Fiscal 2023 at adoption. This is primarily the result of an additional \$38.4 million of federal funding for the Summer Youth Employment Program offset partially by a reduction of \$23.3 million in Coronavirus relief funding for DYCD general administration.

State Funding

State funding in Fiscal 2024 totals \$7.1 million, \$1.8 million greater than the amount allocated in Fiscal 2023 at adoption. This is comprised entirely of funding for Beacon Community Centers under the State Aid for Youth Services grant.

See Appendix A for a complete list of all changes reflected in DYCD’s Fiscal 2023 and 2024 budgets since adoption of the Fiscal 2023 budget.

Chart 2: DYCD Budget by Funding Source



Dollars in Thousands	2021	2022	2023	Executive Plan		*Difference 2024 - 2023
	Actual	Actual	Adopted	2023	2024	
Funding						
City Funds	\$452,062	\$656,137	\$892,599	\$881,949	\$890,615	(\$1,985)
Federal – Other	241,869	157,651	85,190	142,803	104,752	19,561
Federal – CD	6,984	7,383	7,526	7,526	7,151	(375)
State	6,767	7,072	5,275	9,724	7,116	1,841
Other Categorical	7,244	1,024	0	696	0	0
Intra-City	144,463	142,301	140,620	141,985	141,760	1,140
TOTAL	\$859,389	\$971,568	\$1,131,211	\$1,184,683	\$1,151,393	\$20,182

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Executive Budget.

Program Area Budgets

In order to provide for better transparency within agency budgets, in 2007 at the behest of the City Council, the Administration began providing agency budgets broken down by program areas for fifteen of the City’s agencies. The following Financial Summary provides actual expenditures for Fiscal 2021 and Fiscal 2022, the Adopted Budget for Fiscal 2023 and planned spending for Fiscal 2023 and Fiscal 2024 as of the Fiscal 2024 Executive Budget. This information is broken down by program area.

<i>Dollars in Thousands</i>	2021	2022	2023	Executive Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2024 - 2023
Budget by Program Area						
Adult Literacy	\$25,628	\$30,254	\$38,226	\$41,634	\$22,904	(\$15,322)
Beacon Community Centers	85,204	135,351	119,211	144,731	126,897	7,686
Community Development Programs	88,757	107,843	109,772	131,958	36,930	(72,842)
General Administration	159,838	25,942	71,463	18,552	74,533	3,070
In-School Youth Programs (ISY)	3,651	3,160	4,706	7,727	4,000	(706)
Office of Neighborhood Safety	0	0	0	0	184,931	184,931
Other Youth Programs	39,670	54,189	55,767	55,944	5,491	(50,277)
Out-of-School Time (OST)	355,026	380,902	433,473	443,397	419,280	(14,193)
Out-of-School Youth Programs (OSY)	13,103	15,360	16,990	26,221	18,094	1,103
Runaway and Homeless Youth (RHY)	34,842	50,319	53,329	58,532	48,781	(4,547)
Summer Youth Employment Program (SYEP)	53,669	168,249	228,273	255,986	209,552	(18,721)
TOTAL	\$859,388	\$971,568	\$1,131,211	\$1,184,683	\$1,151,393	\$20,182

**The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Executive Budget.*

DYCD’s program budget includes 11 program areas, including a new program area for the Office of Neighborhood Safety. Below is a discussion of the most significant program area funding changes in the Fiscal 2024 Executive Plan.

- **Adult Literacy:** The Executive Plan includes a reduction of \$15.3 million in Fiscal 2024 as compared to Fiscal 2023 at adoption. The reduced funding was a swap to fund other immigration programs.
- **Community Development Programs:** The Fiscal 2024 Executive Plan includes approximately \$36.9 million for this program area, a \$72.8 million reduction compared to the Fiscal 2023 budget at adoption. The decrease is primarily due to City Council discretionary funding that was added in Fiscal 2023 in the Adopted Budget that is not yet a part of the Fiscal 2024 Budget.
- **Office of Neighborhood Safety:** The Executive Plan includes \$184.9 million for a new program area within DYCD. These funds were transferred from the Mayor’s Office of Criminal Justice to DYCD as part of the Mayor’s Action Plan for Neighborhood Safety (MAP), the Office to Prevent Gun Violence (OPGV), and Atlas and Precision Employment Initiative (PEI).
- **Other Youth Programs:** The Executive Plan includes \$5.5 million for other youth programs, \$50.3 million less than the Fiscal 2023 budget at adoption. This decrease is primarily due to City Council discretionary funding for miscellaneous youth programs that typically are added at adoption and which are not currently reflected in the Fiscal 2024 budget.
- **Out-of-School Time (OST):** DYCD’s Executive Plan includes \$419.3 million in Fiscal 2024 for OST, \$14.2 million less than the Fiscal 2023 budget at adoption. This decrease is primarily due to the right-sizing of the after-school programs and savings due to Cornerstone centers which are not currently opened.
- **Runaway and Homeless Youth (RHY):** The Executive Plan includes \$48.8 million in Fiscal 2024 for the Runaway Homeless Youth program area, \$4.5 million less than the Fiscal 2023 budget at adoption. This reduction is due to one-time funding that was included in Fiscal 2023 and not in Fiscal 2024.
- **Summer Youth Employment Program (SYEP):** The Executive Plan includes approximately \$209.6 million for SYEP in Fiscal 2024, \$18.7 million less than the Fiscal 2023 budget at adoption. The reduction is partially due to one-time funding of \$11.0 million for Work, Learn

Grown (WLG) and SYEP MetroCard's that was included in Fiscal 2023 as well as savings from SYEP wages which were due to less than planned spending.

Executive Plan Changes

Each financial plan is comprised of changes to an agency's budget from the prior plan. These changes are comprised of new needs that have not previously been included in the agency's budget, other adjustments to existing spending (these adjustments can involve adding additional funding or removing funding), savings programs which provide additional resources either through reduced spending or increased revenue, and savings restorations which include the restoration of expenditures that had been reduced in prior financial plans.

A summary of all changes made to DYCD's financial plan since adoption can be found in Appendix A.

New Needs

DYCD's Executive Plan includes one new need, totaling \$2.0 million in Fiscal 2024, \$4.0 million in Fiscal 2025 and \$8 million in the outyears.

- **Office of Neighborhood Safety Headcount.** The Executive Plan includes an additional \$2.0 million in City Funds in Fiscal 2024, increasing to \$8.0 million in Fiscal 2026 and the outyears for additional headcount due to the transfer of the program from MOCJ to DYCD beginning in Fiscal 2024. The additional headcount of 28 in Fiscal 2024-2025 and 62 in Fiscal 2026-2027 is necessary to meet the needs of the program and providers.

Other Adjustments

DYCD's Executive Plan includes \$31.1 million in other adjustments in Fiscal 2023, \$215.6 million in Fiscal 2024, \$157.6 million in Fiscal 2025, and \$158.2 million in Fiscals 2026 and 2027. Some of the major adjustments include the following:

- **The Workforce Innovation and Opportunity Act (WIOA)** - The Executive Plan includes \$11.3 million in additional funding in Fiscal 2023 for WIOA. DYCD enrolls out-of-work, out-of-school, low-income youth in the WIOA program, while providing comprehensive workforce development service to gain work experience and academic skills paired with supportive services.
- **Office of Neighborhood Safety** - The Executive Plan includes \$184.9 million in additional funding in Fiscal 2024 due to the Administration's movement of this program from MOCJ to DYCD. As part of the Mayors Action Plan (MAP) for Neighborhood Safety (ONS) to address the root causes of crime and the implementation of community driven solutions to public safety. This includes MAP, Crisis Management System (CMS), Atlas and Precision Employment Initiative (PEI), and only supports funding for contract awards.
- **Baselining TANF Funding** - The Executive Plan baselines \$23.9 million in TANF funding beginning in Fiscal 2024, to provide SYEP jobs that have specifically been designated for low-income youth.
- **OEO Funding Adjustment** - The Executive Plan includes \$9.5 million in Fiscal 2024 for Office of Equal Opportunity for the Advance and Earn program.
- **DC37 Collective bargaining Adjustment** - The Executive Plan includes an additional \$2.0 million in Fiscal 2023 increasing to \$3.2 million in Fiscal 2027 for DC37 collective bargaining

adjustment. The increased funding will support collective bargaining raises for DC37 members to be allocated to 271 active DYCD employees effective May 26, 2023.

Savings

DYCD’s Executive Plan includes City Funds savings of \$11.1 million in Fiscal 2024 and \$10.8 million in each of the outyears as a result of the Department’s Program to Eliminate the Gap (PEG). The agency was able to locate savings in three initiatives as outlined below:

- **Reduced Program Spending** – The Executive Plan includes a reduction of \$9.1 million in Fiscal 2024 and \$8.8 million in each of the outyears of the plan period as a result of less than anticipated spending for DYCD’s SYEP and WLG programs.
- **Saturday Night Lights Revenue Maximization** – The Executive Plan includes a technical adjustment that removes \$1.8 million in City Tax-levy funding for the Saturday Night Lights program and replaces it with State funds in Fiscal 2024 and the outyears of the financial plan period.

Fiscal 2024 Preliminary Budget Response

In the City Council’s Fiscal 2024 Preliminary Budget Response (Budget Response)¹, the Council identified several areas of concern relating to the development, safeguard, education, and independence for the New York City youth. The Budget Response included five priorities related to DYCD with a total value of \$46 million.

The Executive Plan did not include any funding for the Council’s priorities set forth in the Budget Response.

Table 4: FY24 Budget Response Items

	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Provide Funding for MetroCards for Summer Youth Employment Program Participants	\$11.0 Million	\$0
2	Expand Work, Learn, Grow	\$22.0 Million	\$0
3	Baseline Funding for Adult Literacy Programs	\$6.7 Million	\$0
4	Expand Runaway Homeless Youth Programs	\$6.3 Million	\$0
5	Provide Funding for Universal After School Programming	Call to Action	\$0

- **Provide Funding for MetroCards for Summer Youth Employment Program Participants:** DYCD’s Summer Youth Employment Program provides City youth between the ages of 14 and 24 years old with paid work experience for the summer, giving them an opportunity to develop professional skills. In the summer of 2022, DYCD in collaboration with more than 18,000 work sites, provided 100,000 summer employment opportunities where participants were able to learn and enhance skills, develop productive work habits, and strengthen social and leadership skills. Placements also gave nearly 9,000 youth the opportunity to work in city government. The Council called on the Administration to add \$11.0 million in Fiscal 2024 to purchase

¹ The full response can be found at: <http://council.nyc.gov/wp-content/uploads/2023/04/Fiscal-2024-Preliminary-Budget-Response.pdf>

MetroCards for DYCD's Summer Youth Employment Program (SYEP). This funding is not in the Fiscal 2024 Executive Budget.

- **Baseline Funding to Expand Work, Learn, Grow (WLG):** The Council called on the Administration to invest an additional \$22.0 million for the expansion of WLG, a program that strengthens work readiness skills and allows youth to explore career possibilities. WLG helps participants aged 16 through 19 years old to build work skills and aptitude by providing them diverse work opportunities and direct exposure and access to paid workforce programs. The additional \$22.0 million would allow WLG to be expanded to cover 5,000 slots for Fiscal 2024. The Executive Plan did not include any additional funding for WLG.
- **Baseline Funding for Adult Literacy Programs:** The Council urged the Administration to increase and baseline approximately \$6.7 million in Fiscal 2024 for DYCD Adult Literacy Education contracted programs and to increase the per student funded rate from \$950 to \$2,700. Funding for Adult Literacy programs provides for basic education, English-language, and high school equivalency programs serving over 12,000 New York City adult learners. No additional funds were provided in the Executive Plan for this program.
- **Baseline Funding to Expand Runaway Homeless Youth Programs:** The Council has pushed the Administration to expand shelter services and capacity for young people experiencing homelessness in the DYCD youth shelter system. There is still a significant need for age-appropriate shelter in the City. The pandemic has resulted in an increase in the runaway and homeless youth (RHY) adults aged 21 to 24. RHY populations still require a great deal of support and guidance to successfully transition into permanent housing and self-sufficiency. The Council called on the Administration to add baseline funding of \$6.3 million to provide 40 additional beds, 16 housing specialists, and 16 peer navigator positions. These funds were not added in the Executive Plan.

Appendix A: Budget Actions since Fiscal 2023 Adoption

<i>Dollars in Thousands</i>	FY23			FY24		
	City	Non-City	Total	City	Non-City	Total
DYCD Budget as of the Adopted FY23 Budget	\$892,599	\$238,612	\$1,131,211	\$745,728	\$227,713	\$973,441
November 2023 Plan - Other Adjustments						
CSBG SYEP	\$0	\$2,415	\$2,415	\$0	\$0	\$0
FY23 Advance & Earn IC		13	13			0
MOIA Adult Literacy Transfer	(1,428)		(1,428)			0
TANF SYEP		23,938	23,938			0
TGNC Grant	(184)		(184)			0
WIOA Realignment		4,453	4,453		4,453	4,453
Workforce Enhancement	(1,021)		(1,021)	(1,021)		(1,021)
Subtotal, Other Adjustments	(\$2,632)	\$30,819	\$28,187	(\$1,021)	\$4,453	\$3,432
PEGs:						
Less Than Anticipated Spending	(\$7,487)		(\$7,487)	(\$29,274)		(\$29,274)
Prior Year Revenue	(15,490)	15,490	0			
Revenue Maximization	0		0	(3,339)	1,694	(1,646)
Telecommunication Savings	(8)		(8)	(25)		(25)
Unallocated Funding	(3,701)		(3,701)	(2,675)		(2,675)
YMI Funding Adjustment	(100)		(100)	(133)		(133)
Subtotal, PEGs	(\$26,786)	\$15,490	(\$11,296)	(\$35,447)	\$1,694	(\$33,753)
TOTAL, All Changes	(\$29,418)	\$46,309	\$16,891	(\$36,468)	\$6,147	(\$30,321)
DYCD Budget as of the November 2023 Plan	\$863,181	\$284,921	\$1,148,102	\$709,260	\$233,860	\$943,120
FY24 Preliminary Plan - Other Adjustments						
City Council Member Items Reallocation	(\$4,569)	\$0	(\$4,569)	\$0	\$0	\$0
City Service Corps CCHR	22		22			0
City Service Corps DCAS	194		194			0
City Service Corps DCLA	43		43			0
City Service Corps DEP	22		22			0
City Service Corps DORIS	43		43			0
City Service Corps Law	22		22			0
City Service Corps NYCEM	65		65			0
City Service Corps Parks	172		172			0
CSC Funding Adjustment		129	129			0
FY23 DYCD_SD_4		1,140	1,140			0
FY24_25_DYCD_1					1,140	1,140
Heat, Light and Power	14		14			0
Language Access	5,000		5,000			0
New Grant: FY23 NYS OCFS	299		299			0
RHY State Increase		2,862	2,862			0
Workforce Enhancement	973		973	973		973
YMI Funding Adjustment	194		194	75		75
Subtotal, Other Adjustments	\$2,494	\$4,131	\$6,625	\$1,048	\$1,140	\$2,188
FY24 Preliminary Plan, PEGs						
Vacancy Reduction	(\$1,154)	\$0	(\$1,154)	(\$2,308)	\$0	(\$2,308)
Subtotal, PEGs	(\$1,154)	\$0	(\$1,154)	(\$2,308)	\$0	(\$2,308)
TOTAL, All Changes	\$1,340	\$4,131	\$5,471	(\$1,260)	\$1,140	(\$120)
DYCD Budget as of the Preliminary FY24 Budget	\$864,520	\$289,053	\$1,153,573	\$708,001	\$235,000	\$943,001
FY24 Executive Plan New Needs						
Office of Neighborhood Safety Headcount	\$0	\$0	\$0	\$2,000	\$0	\$2,000
Subtotal, New Needs	\$0	\$0	\$0	\$2,000	\$0	\$2,000
FY24 Executive Plan, Other Adjustments						
Baselining TANF Funding					\$23,938	\$23,938
COMPASS STATE INCREASE		1,288	1,288	-		-
CSBG Adjustment				182		182
CSC Funding Adjustment	(43)	34	(9)	-		-
DC37 collective bargaining adjustment	2,028		2,028	1,872		1,872

<i>Dollars in Thousands</i>	FY23			FY24		
	City	Non-City	Total	City	Non-City	Total
FY24 Executive Plan, Other Adjustments						
Heat, Light and Power	\$5		\$5	\$57		\$57
IC W/DYCD - City Service Corps		48	48			-
January FY24 Member Item Reallocation	15,737		15,737			-
Lease Adjustment				16		16
MF to pilot STEAM		6	6			-
OEO Funding Adjustment				9,500		9,500
Office of Neighborhood Safety				184,931		184,931
Private Funding for Ladders 4		690	690	-		-
Saturday Night Lights Transfer				650		650
SYEP Adjustment				(4,792)		(4,792)
WIOA Revenue Mod		11,317	11,317	-		-
Workforce Enhancement				(849)		(849)
YMI Funding Adjustment				120		120
Subtotal, Other Adjustments	\$17,727	\$13,383	\$31,110	\$191,687	\$23,938	\$215,625
FY24 Executive Plan, PEGs						
Less Than Anticipated Spending				(\$9,076)		(\$9,076)
Saturday Night Lights Revenue Maximization				(1,841)	1,841	0
Technical Assistance Re-estimate				(156)	-	(156)
Subtotal, PEGs	\$0	\$0	\$0	(\$11,073)	\$1,841	(\$9,232)
Total All Changes	\$17,727	\$13,383	\$31,110	\$182,614	\$25,779	\$208,393
DYCD Budget as of the Executive FY24 Budget	\$882,247	\$302,436	\$1,184,683	\$890,615	\$260,779	1,151.393