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Hearing on the Fiscal Year 2013 Executive Budget

Department of Youth and Community Development

May 24, 2012

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Department of Youth and Community Development Fiscal 2013 Budget Overview

The Department of Youth and Community Development (DYCD) supports youth and adults in collaboration with community-based organizations throughout New York City. Its youth programs include the citywide Out-of-School Time (OST) initiative, adolescent literacy programs, the youth workforce development program, and services for runaway and homeless youth. Its community programs for adults and families include a network of 80 Beacon community centers and immigrant assistance programs.

This report provides an analysis of DYCD's Executive Budget for Fiscal 2013. The report includes a financial summary of the Department's year-over-year spending by program area and funding source, followed by a narrative of Executive Budget actions.

Lastly, it provides an outline of adjustments to the Fiscal 2013 Budget proposed in the November 2011 Financial Plan and the Fiscal 2013 Preliminary Plan, which were reviewed at the Committee on Youth Services March 15, 2012 hearing.

Department of Youth and Community Development Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Exec. Plan	2013 Exec. Plan	*Difference 2012 - 2013
Personal Services	\$26,517	\$26,528	\$27,686	\$26,670	\$143
Other Than Personal Services	323,746	296,266	301,447	218,141	(78,125)
TOTAL	\$350,263	\$322,794	\$329,133	\$244,811	(\$77,983)
Budget by Program Area					
Adult Literacy	\$11,154	\$6,167	\$7,167	\$5,167	(\$1,000)
Beacon Community Centers	53,010	49,454	49,454	43,288	(6,166)
Community Development Programs	42,001	40,321	42,230	24,470	(15,851)
General Administration	22,070	26,952	21,258	26,893	(58)
In-School Youth Programs (ISY)	6,246	7,664	5,872	7,664	0
Other Youth Programs	40,411	35,415	36,148	15,997	(19,418)
Out-of-School Time (OST)	99,703	95,044	94,710	75,541	(19,503)
Out-of-School Youth Programs (OSY)	13,243	15,918	16,407	15,663	(255)
Runaway and Homeless Youth (RHY)	12,387	12,634	12,834	5,429	(7,205)
Summer Youth Employment Program (SYEP)	50,038	33,225	43,053	24,700	(8,527)
TOTAL	\$350,263	\$322,794	\$329,133	\$244,811	(\$77,983)
Funding					
City Funds	N/A	\$217,111	\$212,144	\$150,043	(\$67,067)
Other Categorical	N/A	0	6,161	0	0
State	N/A	5,624	14,082	4,675	(949)
Federal - Community Development	N/A	8,306	8,306	7,138	(1,168)
Federal - Other	N/A	66,239	62,706	57,440	(8,799)
Intra City	N/A	25,515	25,734	25,515	0
TOTAL	\$350,263	\$322,794	\$329,133	\$244,811	(\$77,983)

	2011	2012	2012	2013	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Exec. Plan	Exec. Plan	2012 - 2013
Positions					
<i>Full-time Positions</i>	367	383	386	386	3
TOTAL	367	383	386	386	3

*The difference of Fiscal 2012 Adopted compared to Fiscal 2013 February Plan funding.

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The Department of Youth and Community Development's Fiscal 2013 Executive Budget is \$244.8 million, a decrease of \$78 million, or 24 percent, when compared to the Fiscal 2012 Adopted Budget of \$322.8 million.

A majority of this decrease can be attributed to the \$58 million that the City Council restored to the Department's budget in Fiscal 2012 that is not included in its Fiscal 2013 budget. Council restorations and funding are negotiated annually and allocated on a one-time basis, and therefore not included in the Fiscal 2013 budget. Funding restored by the City Council is outlined in Appendix 1 of this report.

Reductions for Fiscal 2013 also include program budget reductions to after school, adult literacy, and runaway and homeless youth programs, \$8.9 million in Program to Eliminate the Gap (PEG) proposals, and approximately a \$8.5 million reduction in federal dollars for SYEP.

The Department's Fiscal 2013 Executive Budget does not include any new PEG proposals. However, proposed PEGs in the November Plan substantially reduces City-funded afterschool programs including, Out-of-School Time (OST), and Beacon and Cornerstone programs, which currently provide services to over 125,000 youth per year. If the Fiscal 2013 reductions are enacted, the projected number of participants served would be approximately 95,000, a reduction of over 30,000 participants or 24 percent.

- **Out-of-School Time Reductions.** As a result of DYCD's 2011 OST Request-for-Proposal (RFP), the Fiscal 2013 OST program budget includes \$73 million for approximately 27,000 participants; a reduction of 51 percent when compared to the 53,000 participants currently budgeted for Fiscal 2012.

On April 25, 2012, the Department released the list of 224 programs it recommended for OST awards in Fiscal 2013. Consequently, 192 programs and 25,721 OST slots will be eliminated in Fiscal 2013 and in the outyears as a result. Under the new OST program structure, academic enrichment is required, resulting in a higher price per participant. Therefore, the OST program budget shortfall in Fiscal 2013 is greater than the \$19.5 million reflected in the budget.

- **Elimination of Seven Beacon Programs.** The Fiscal 2013 Beacon program budget reflects a reduction of \$6.1 million. The reduction includes \$2.8 million restored by the Council in the Fiscal 2012 to ensure that Beacon programs maintained funding levels at approximately \$312,000 each, and \$2.1 million for the elimination of seven Beacon programs, which are school-based community centers that provide an array of services for youth and adults, including after school. The Department has stated that these programs are in areas of lowest need. Beacon programs proposed for elimination are listed below.

Borough	School	Provider	Council Member
Bronx	IS 192	Phipps Community Development	Vacca
Brooklyn	IS 259	Heart Share Human Services	Gentile
Manhattan	PS 198	Stanley M. Isaacs	Garodnick
Manhattan	MS 414	Hudson Guild	Quinn
Queens	JHS 190	Queens Community House, Inc.	Koslowitz
Queens	MS 158	Samuel Field Y	Halloran
Staten Island	Tottenville High School	Jewish Community Center of Staten Island	Ignizio

- **Reduction to Cornerstone Contracts.** The Department funds its New York City Housing Authority (NYCHA) Cornerstone program, in the Beacon program budget, and proposes to decrease funding to all 25 of its New York City Housing Authority NYCHA-based Cornerstone programs by seven percent, resulting in a savings of \$926,000 in Fiscal 2013 and in the outyears, and the potential loss of 733 program slots.

Other reductions to note include \$7.2 million for Runaway and Homeless Youth (RHY), and \$1 million for Adult Literacy services.

- **Runaway and Homeless Youth Reductions.** The program budget for Runaway and Homeless Youth services includes \$5.4 million in Fiscal 2012, a decrease by \$7.2 million when compared to its Fiscal 2012 funding level. This reduction can be attributed to the \$7.2 million Council restoration in Fiscal 2012 to support crisis shelter beds, transitional independent living beds and non-residential services such as drop-in and street outreach services for at-risk, runaway and homeless youth. This funding restored both proposed City and State reductions.

The funding reduction could potentially eliminate 159 shelter beds of its 251 shelter beds, reduce essential non-residential services such as drop-in centers, and eliminate street outreach services.

- **Adult Literacy Funding Reduction.** The proposed budget for adult literacy services in Fiscal 2013 is \$1 million less than the Fiscal 2012 Adopted Budget. The reduction can be attributed to a \$1 million restoration by the Council in Fiscal 2012 for the expansion of adult literacy services to approximately 1,000 recipients through eleven additional contracts, and this funding is not included in the budget for Fiscal 2013.

With the added Council funding, DYCD projects that it would be able to serve a total of approximately 3,800 participants through 33 contracts by the end of this fiscal year.

Fiscal 2013 Executive Budget Actions

Budget Actions in the Executive Plan						
<i>Dollars in Thousands</i>						
<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
DYCD Budget as of February 2013 Plan	\$212,149	\$116,892	\$329,041	\$150,036	\$94,769	\$244,806
Other Adjustments						
City Council Member Items	(\$8)		(\$8)			
Collective Bargaining - DC 37	5		5	5		
Increased Funding for ESG		98	98			
Konica Minolta/Accenture Fee Transfer to DCAS	(3)		(3)			
TOTAL, Other Adjustments	(\$5)	\$98	\$93	\$5		\$5
TOTAL, All Changes	(\$5)	\$98	\$93	\$5	-	\$5
DYCD Budget as of May 2013 Plan	\$212,143	\$116,990	\$329,133	\$150,043	\$94,769	\$244,811

Other Adjustments

- Increased Funding for Emergency Shelter Grant for Runaway and Homeless Youth Services.** The Department recognizes \$98,000 in intra-city funding from the Department of Homeless Services (DHS) for Emergency Shelter Grant (ESG) funding in Fiscal 2012 only. As a result of an intra-city agreement with DYCD, DHS routinely allocates funding to DYCD for its Runaway and Homeless Youth services.

Appendix 1: City Council Fiscal Year 2012 Initiatives

FY 2012 Council Changes at Adoption by Program Area	
<i>Dollars in Thousands</i>	
Adult Literacy Services Initiative	\$1,500
Adult Literacy Services PEG Restoration	1,000
After-Three Corporation	3,000
Beacon Restoration	2,300
Disconnected Youth Training Program (GrowNYC)	65
Earned Income Tax Credit (EITC) Assistance Program	150
EBTs at Food Markets/Council on the Environment	270
Expand Low-Income Farmer's Markets (Harvest Home)	60
Expansion at New Amsterdam Market	45
Food Pantries-DYCD	570
Household Composting Program (GrowNYC)	45
Immigrant Opportunities Initiative	4,000
Jill Chaifitz Helpline	200
New York Immigration Center	100
New York Junior Tennis League	800
Out-of-School Time Option I PEG Restoration	9,950
Out-of-School Time Option II PEG Restoration	2,200
PAX Anti-Gun Program	50
Runaway and Homeless Youth Services PEG Restoration	7,170
Sports & Arts in Schools Foundation (SASF)	1,000
YMCA The Y After School Program	350
Subtotal	\$35,058
Council Discretionary	7,737
Local Initiatives	15,676
Subtotal	\$23,413
TOTAL	\$58,471

Appendix 2: Budget Actions in the November, February & Executive Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2011 Plan	\$217,110	\$105,684	\$322,794	\$142,741	\$94,769	\$237,510
Program to Eliminate the Gap (PEGs)						
Beacon School Contract Reductions	(\$535)		(\$535)	(\$2,146)		(\$2,146)
Cornerstone Contract Reductions	(192)		(192)	(926)		(926)
Reduce OST Slots			\$0	(5,918)		(5,918)
Program and Administration Accruals	(3,434)		(3,434)			-
TOTAL, PEGs	(\$4,160)	\$0	(\$4,160)	(\$8,991)	\$0	(\$8,991)
PEG Restorations						
Beacon Schools Contract Restoration	\$535		\$535			\$0
Cornerstone Contract Restoration	192		192			0
TOTAL, PEG Restorations	\$727	-	\$727	\$0	\$0	\$0
New Needs						
YMI Funding				\$5,000		
TOTAL, New Needs	\$0	\$0	\$0	\$5,000	\$0	\$5,000
Other Adjustments						
City Council Member Items	(\$8)		(\$8)			\$0
Collective Bargaining - DC 37	6		6	6		6
Increased Funding for ESG		98	98			0
Konica Minolta/Accenture Fee Transfer to DCAS	(3)		(3)			0
CSBG Roll		1,200	1,200			0
Functional Transfer	119		119	151		151
FY12 CSBG SYEP		1,609	1,609			0
Member Item Reallocation	(1,287)		(1,287)			0
NYC Service	20		20			0
State Funds SYEP ' 11		(85)	(85)			0
SYEP Private Funds		6,161	6,161			0
Transfer Funds		406	406			0
WIA Summer Express		1,698	1,698			0
YMI Fringe Adjustment	(65)		(65)	(65)		(65)
YMI Funding	(350)		(350)			0
CEO Funding Adjustment			-	11,200		11,200
DYCD I/C Public Color		81	81			0
Local Member Items	35		35			0
Move funds to CB40x		138	138			0
TOTAL, Other Adjustments	(\$1,533)	\$11,305	\$9,772	\$11,293	-	\$11,293
TOTAL, All Changes	(\$4,967)	\$11,305	\$6,339	\$7,302	-	\$7,302
Agency Budget as of May 2013 Plan	\$212,144	\$116,990	\$329,134	\$150,044	\$94,769	\$244,813

Appendix 3: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services		Other Than Personal Services		Grand Total
	002	311	005	312	
Adult Literacy		\$844	\$3,343	\$980	\$5,167
Beacon Community Centers		1,512	0	41,776	43,288
Community Development Programs		2,755	21,715		24,470
General Administration	12,647		2,759	11,487	26,893
In-School Youth Programs (ISY)		431		7,233	7,664
Other Youth Programs		3,248		12,749	15,997
Out-of-School Time (OST)		2,287		73,254	75,541
Out-of-School Youth Programs (OSY)		1,123		14,539	15,663
Runaway and Homeless Youth (RHY)		837		4,593	5,429
Summer Youth Employment Program (SYEP)		987		23,713	24,700
Grand Total	\$12,647	\$14,023	\$27,817	\$190,324	\$244,811