

March 2019

Additional Funds for Summer Youth Employment, But Uncertainties Remain

The Mayor's 2020 Preliminary Budget includes an increase in funds for the Summer Youth Employment Program (SYEP) at the Department of Youth and Community Development (DYCD). This addition covers the cost of the state's minimum wage increase to \$15 per hour as of January 1, 2019 for youth participating in the program, as well as programmatic enhancements included in the most recent contracts with organizations that administer the SYEP program, while maintaining the current mayoral baseline of 70,000 slots.

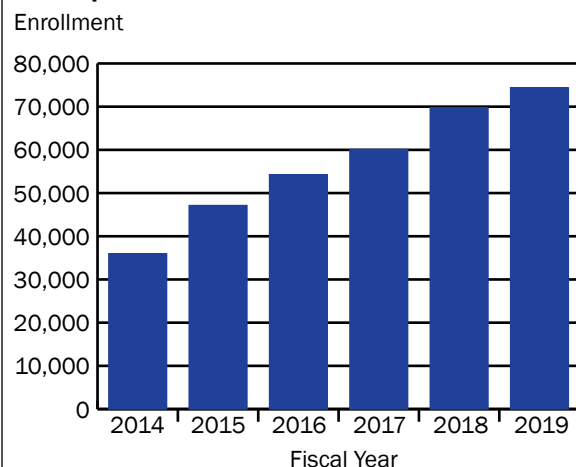
Specifically, the increase adds \$30.8 million in city funds in fiscal year 2020 (for the summer 2019 program), \$32.8 million in 2021, and \$34.8 million in 2022 and 2023 (all years refer to fiscal years). As a result of these actions, the total 2020 budget for SYEP is \$128.6 million. Even with the increased budget, though, more funds will be needed if this summer's program is to serve as many youth as last summer's.

Steady Increases in Participation and Funding. The Summer Youth Employment Program serves youth ages 14 to 24. Youth participate in a six week paid work and educational experience with the goal of developing professional skills and exploring career paths. Participants can work in nonprofit, government, or private-sector positions. The programs are implemented by community-based organizations contracted through a competitive process. In recent years, there has been a steady increase in program participation, with the number of youth participants more than doubling from 35,957 in 2014—the final summer of the Bloomberg Administration—to 74,354 in 2019 (summer 2018). In spite of the large increase in capacity, the number of applicants continues to far outpace the number of available slots.

While the growth in the SYEP budget has been driven by the expanding number of work slots, another factor has

been legally mandated increases in the minimum wage. The minimum wage for New York City has increased from \$7.25 in 2014 to the current \$15.00 per hour. The increases in available work slots and rising costs per slot have required a substantial increase in funding. From 2014 through 2019, overall SYEP funding more than tripled from \$48.5 million to \$150.4 million. The program expansion has been accomplished primarily with additional city funds, and the city share of the SYEP budget has increased each year. In 2014, the program's \$48.5 million included \$22.4 million in city funds (46.2 percent of the total), \$13.5 million in federal Temporary Assistance to Needy Families (TANF) funds allocated in the state budget, and \$12.6 million from other sources. In 2019, total SYEP funding reached \$150.4 million, including \$123.6 million in city funds (82.2 percent), \$20.8 million in TANF, and \$6.0 million in other funds.

Number of Summer Youth Employment Program Participants Doubled Over Last Six Summers



SOURCE: Department of Youth and Community Development 2018 Summer Youth Employment Program Annual Summary report

NOTE: The fiscal year figures refer to the prior summer calendar year; for example, fiscal year 2019 refers to summer 2018.

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Increasing Program Costs in 2020. In 2020, the minimum wage increase will be paired with further programmatic enhancements. As part of the request for proposal process in January 2019, DYCD included new program models, such as school-based programs, to the existing community-based settings and specialized initiatives for justice-involved, foster care, and runaway and homeless youth. The development of new services and program enhancements such as work readiness training and assessment has further contributed to increasing program costs.

In order to cover the cost of the programmatic changes, the price paid to the contractors for administering the programs increased by \$75 to \$275 per participant, the first increase in several years. The total price per participant ranges from \$450 to \$1,000. The price per participant is based on the age of the participant and the program area. For example, programming for younger youth is generally a higher price per participant than older youth, and community-based settings differ in price per participant from school-based settings. The cost of wages is not included in the price per participant, as DYCD pays wages directly to the participants, rather than through the contractors.

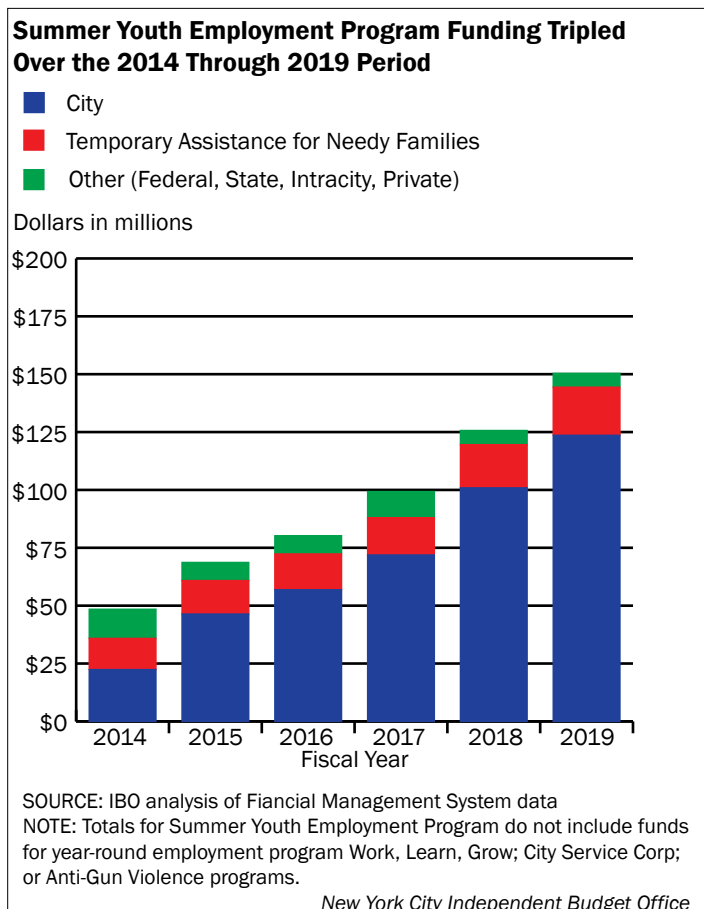
More Funding to Come? The \$30.8 million increase in city funding for 2020 is intended to maintain the number of employment slots at the current mayoral baseline of 70,000. There is no funding in the Preliminary Budget to increase the number of slots.

In recent years, the City Council has added funding in the Adopted Budget to increase the number of available slots. In the Adopted Budget for this year, DYCD received an additional \$10.3 million to support 5,000 slots above the 70,000 slot baseline. Providing 75,000 slots again this summer would require an addition to the 2020 budget larger than last year’s due to increases in program costs and the new \$15 minimum wage. The exact amount would depend on the mix of age groups and programs.

In recent years the Summer Youth Employment Program has also relied on TANF funds allocated as part of the state budget. In 2019 the city received \$20.8 million in TANF funds for SYEP, out of a statewide allocation of \$40.0 million. Governor Cuomo’s 2019-2020 Executive Budget proposes to increase the statewide total for SYEP to \$44.0 million. If the city receives the same share of state funds as last year, \$22.9 million in TANF funds would be available for SYEP this summer.

But the Governor’s [proposed](#) TANF allocations include a reduction in TANF funding for the city’s Family Assistance program. If the Governor’s proposal is rejected by the State Legislature, TANF funding previously allocated to other programs such as SYEP would likely need to be re-directed toward Family Assistance, which would make it harder to maintain SYEP at last year’s scale. The State Senate’s budget proposal eliminates the Governor’s planned shift while the Assembly cuts it in half and also adds \$6.0 million statewide for summer youth employment.

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