

March 2015

Will State Funds Be Available Again for Expanded After-School Programs?

In one of its signature initiatives last year, the de Blasio Administration expanded the size of the city's after-school program for middle school students, more than tripling the number of slots available. For fiscal year 2015, the expansion was funded with a portion of state education aid, but the prospects for significant growth in state aid this year are unclear, with the state aid appropriation intertwined with contentious education policy proposals by the Governor. If there is less aid than the de Blasio Administration is assuming, further expanding the middle school initiative would require another funding source—presumably city funds.

Since 2005 the Department of Youth and Community Development (DYCD) has administered the city's primary after-school program. Originally known as Out-of-School Time, the program was renamed Comprehensive After School System of New York City (COMPASS NYC) beginning in 2015. The program provides activities for school-age youth during after-school hours, on weekends, and during school vacations. COMPASS programs are offered at no cost to participants and provide a mix of academic, recreational, and cultural programs for elementary-, middle-, and high-school students. COMPASS service providers operate mostly in public school buildings, with a smaller number operating in facilities of the parks department and the New York City Housing Authority.

Besides the change in name, DYCD's after-school system has undergone major changes in its scale and funding beginning in 2013 when DYCD revamped its program for elementary- and middle-school students to expand the types of services offered and raised the per slot rate to cover the cost of these additional services. This increased cost per slot, together with a scheduled decrease in funding, was expected to reduce the number of slots

in 2013 by nearly half, from 52,600 in 2012 to 26,900 (denoted as 2013 RFP Service Enhancement in the accompanying table). During negotiations to adopt the 2013 budget, however, the City Council added \$51 million to restore nearly 30,000 slots for one year, although these were funded at the previous, lower cost per slot. The City Council once again added \$51 million for the 2014 adopted budget to maintain the 30,000 slots for an additional year. These funds were then baselined in November 2013, making the Council-funded slots a permanent part of the overall COMPASS system.

Soon after taking office, the de Blasio Administration announced a plan to further upgrade the after-school system at DYCD by vastly expanding the number of slots for middle school students. For 2015, the number of slots available to middle school students during the school year more than tripled, growing to 42,750 from 13,114. Although part of the COMPASS system, the new middle school initiative is known as School's Out New York City (SONYC). The Mayor had planned to pay for the SONYC initiative with revenue from an income tax surcharge on high income households, but after that proposal failed to gain traction in Albany, the city decided to fund SONYC by redirecting some of the incremental increase in New York State Foundation Aid received by the city's Department of Education (DOE). Foundation Aid, which is determined by formulas that take into account enrollment, student need, and a school district's relative wealth, is the largest component of state education aid. Thus, the year-to-year fluctuation in the Foundation Aid received by DOE is largely determined by changes in the fiscal condition of the education department as it carries out its core educational mission.

Increased Capacity and Participation. As expected, the implementation of SONYC has greatly expanded the



Compass Fiscal Year 2015 Program Facts					
<i>As of 2015 adopted budget, dollars in millions</i>					
Elementary School Programs	Budget	School Slots	School Enrollment	Summer Slots	Summer Enrollment
Base RFP 2013 Service Enhancement	\$48.7	15,422	20,148	15,472	18,969
Council	61.8	21,986	25,138	21,888	23,426
DOE Expansion	2.0	1,882	-	-	-
Total Elementary School	\$112.5	39,290	45,286	37,360	42,395
Middle School Programs	Budget	School Slots	School Enrollment	Summer Slots	Summer Enrollment
Base RFP 2013 Service Enhancement	\$34.3	9,388	12,036	9,303	9,969
Council	13.8	3,726	5,258	3,777	3,812
DOE Expansion	1.0	-	-	-	-
Program Prior to SONYC Subtotal	\$49.1	13,114	17,294	13,080	13,781
New SONYC	81.6	27,154	33,687	-	-
New SONYC Nonpublic (3/1/15)	5.0	2,482	-	-	-
SONYC Subtotal	86.6	29,636	33,687	-	-
Total Middle School	\$135.7	42,750	50,981	13,080	13,781
High School & Option II	Budget	School Slots	School Enrollment	Summer Slots	Summer Enrollment
High School	\$4.4	5,874	5,764	3,818	1,955
Total High School	\$4.4	5,874	5,764	3,818	1,955
Evaluation & Support	\$7.5				
Total COMPASS Budget	\$260.1	87,914	102,031	54,258	58,131
SOURCE: Department of Youth and Community Development					
NOTES: Excludes administrative costs. All new SONYC programs started in September 2014.					

New York City Independent Budget Office

number of students receiving after-school services in 2015. Compared with 2014, enrollment increased by 29 percent for school year programs and 12 percent for summer programs.

In 2015, the overall COMPASS program includes a total of 87,914 school year slots and 54,258 summer slots. Among the school-year programs, 29,636, or 34 percent, of the total slots are new SONYC slots. Because SONYC did not begin until September 2014, there were no new SONYC summer slots in fiscal year 2015.

Students do not always participate in every session, so DYCD estimates that each program slot can serve approximately 1.25 students. Total enrollment in COMPASS school-year programs reached 102,031 students in 2015 including 45,286 in elementary school, 50,981 in middle school, and 5,764 in high school. Overall summer enrollment totaled 58,131 including 42,395 in elementary school, 13,781 in middle school, and 1,955 in high school. Only in the high-school programs did enrollment not surpass available slots. The 2015 enrollment numbers for middle schools do not include new SONYC programs located outside of public schools (SONYC nonpublic in the table), which are scheduled to begin operating in March 2015.

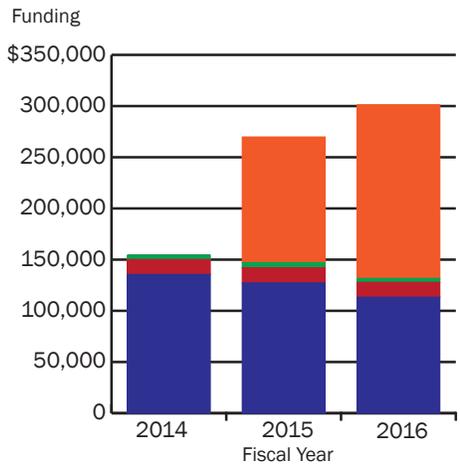
Uncertain Funding. As a result of the expansion of middle school programs, the total budget for COMPASS, including administrative costs, increased from \$154 million in 2014 to \$270 million in 2015, and is expected to increase further to \$301 million in 2016. The program's expansion in 2015, however, relied on state funds, some or all of which, might not be available next year.

Prior to 2015, COMPASS programs were largely paid for with city funds; in 2014, 88 percent of the budget was funded with city dollars. In the 2015 budget DOE allocated \$145 million in state Foundation Aid to the new after-school initiative, with \$128 million of this transferred to DYCD to implement the expansion. The remaining funds (\$17 million) remained in DOE's budget to cover that agency's administrative costs as well as after-school programs for special education students in District 75 schools.

The city's financial plan assumes that DOE will receive enough Foundation Aid from the state for 2016 to be able to allocate \$190 million to SONYC, with \$170 million of this to be transferred to DYCD to further expand the program. However, it is far from clear if the final state budget will include enough incremental Foundation Aid to allow DOE to cover the costs of SONYC, while also meeting its own internal needs for additional state aid.

COMPASS Increasingly Depends on State Funds

■ City ■ Intracity-Administration for Children's Services
■ Other State ■ State Foundation Aid



SOURCE: New York City budget function analysis
New York City Independent Budget Office

The risk is heightened this year as the Governor has tied approval of a major increase in statewide Foundation Aid to acceptance by the Legislature of several controversial education policy proposals regarding teacher evaluations, charter schools, and state takeover of failing schools. If the ultimate agreement results in less Foundation Aid than the city is counting on, city officials would be left with a choice between scaling back the program and making up the funding shortfall with city funds.

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