

THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

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Chair, Committee on Education



Report of the Finance Division on the
Fiscal 2021 Preliminary Budget and the
Fiscal 2020 Preliminary Mayor's Management Report for the
Department of Education

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Department of Education Overview

The Department of Education (DOE or the Department) provides early, primary, and secondary education to over 1.1 million students in New York City. The DOE is tasked with preparing students to meet State grade level standards in reading, writing, and math, as well as providing high school students with the tools necessary to successfully achieve college and career readiness.

With 1,861 schools, the Department of Education DOE operates the largest public school district in the nation.¹ The DOE is not only responsible for funding the education of students who attend New York City public schools, it is also responsible for funding City charter schools, universal pre-kindergarten (UPK) and 3-K programs, 3-K programs in community-based centers, special education pre-schools, and other non-public schools. Of the 1,861 public schools 260 are charter schools.

Figure 1 shows student enrollment in DOE schools from the 2013-2014 school year up until the 2018-2019 school year for pupils ages 4 through 21.² While, the Department saw a steady increase in enrollment for the 2013-2014 school year up until the 2016-2017 school year, where it had a peak enrollment of 1.14 million students, the Department's enrollment has slightly decreased to 1.13 million. The decrease in enrollment does not exceed one percent year over year and the change continues to be minimal as the Department has reported an average enrollment of 1.1 million through -out the last six school years. As shown in Figure 2, the DOE's student body is diverse as a whole and mirrors the diversity that exists in New York City.³

Figure 1. DOE Total Enrollment

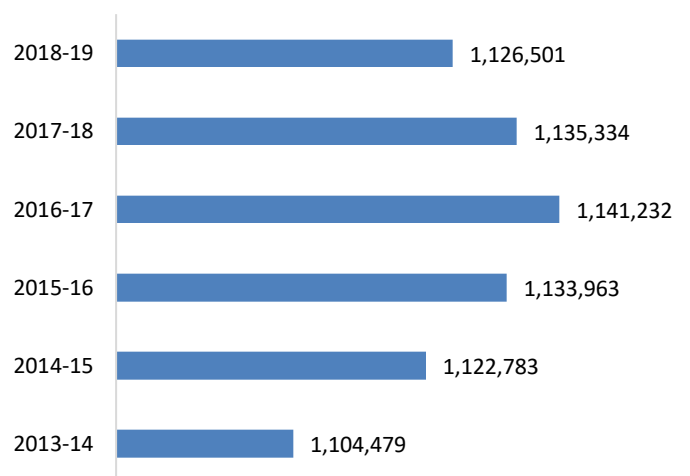
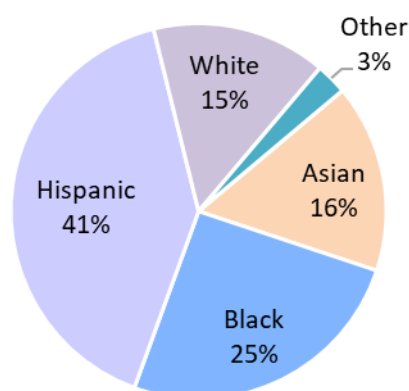


Figure 2. DOE Student Demographics 2018-2019



¹ LCGMS. Retrieved from <https://infohub.nyced.org/in-our-schools/operations/lcgms>

² The New York City Department of Education, NYC Data, Demographic Snapshot 2014-15 to 2018-2019. Available at: <https://infohub.nyced.org/>

³ The Citizens Commission for Children. Retrieved from <https://data.cccnewyork.org/data/table/98/child-population#11/18/40/a/a>

New York City's school system is divided into 32 geographic Community School Districts (CSDs) and is presided over by the Chancellor and the Panel for Educational Policy (PEP). The DOE includes three additional districts beyond the 32 CSDs: D75 for special education, D79 for alternative education programs, and D84 for charter schools. The DOE also offers several career and technical education programs, as well as continuing education classes for adults. Additionally, the Department now provides childcare services as a result of the transfer of the EarlyLearn daycare system from the Administration for Children's Services (ACS) to the DOE.

In addition to instruction, the Department's budget provides funding for school support functions such as pupil transportation, school breakfast and lunch, school-based health services, and the operation and maintenance of school facilities. These functions are supported by staff titles such as principals, teachers, social workers, guidance counselors, superintendents, custodians, and nurses. The Department's budget also provides funding for State and federal imposed mandates, such as: funding for the Fashion Institute of Technology (FIT), a tuition of \$16,150 per pupil paid to the 260 charter schools, charter school leases, and funding for contract schools.

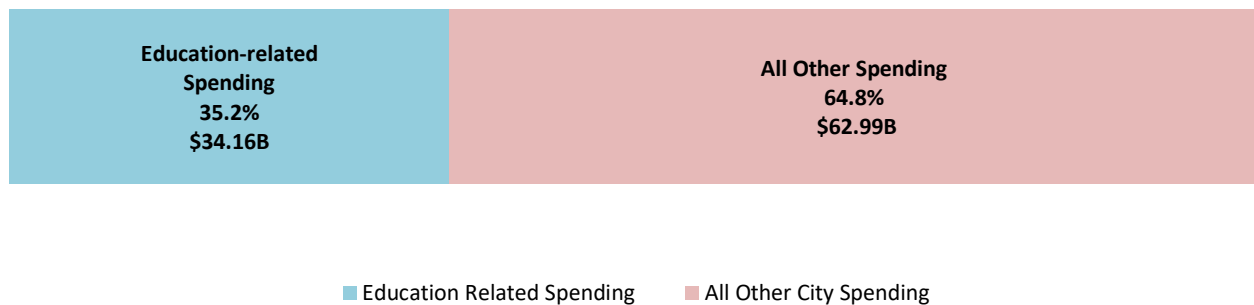
This report provides a review of the Department's proposed \$28 billion Preliminary Budget for Fiscal 2021. The first section presents an overview of DOE's Fiscal 2021 Expense Budget, changes made to the budget since adoption of the Fiscal 2020 Budget, the impact of the proposed State budget, and a discussion of significant gaps in DOE's Fiscal 2021 Preliminary Budget. The report then presents an analysis of the Department's budget by units of appropriation (U/A), as well as discusses relevant sections of the Preliminary Mayor's Management Report (PMMR) for Fiscal 2020. Finally, the Appendix provides changes to the Fiscal 2020 and 2021 Budgets included in the November 2019 and Preliminary Financial Plans.

The Department's Preliminary Capital Budget for Fiscal 2021 and the Proposed Amendment to the \$18.78 billion Fiscal 2020-2024 Capital Plan are discussed in a separate report to the Committee on Education.

Fiscal 2021 Preliminary Budget

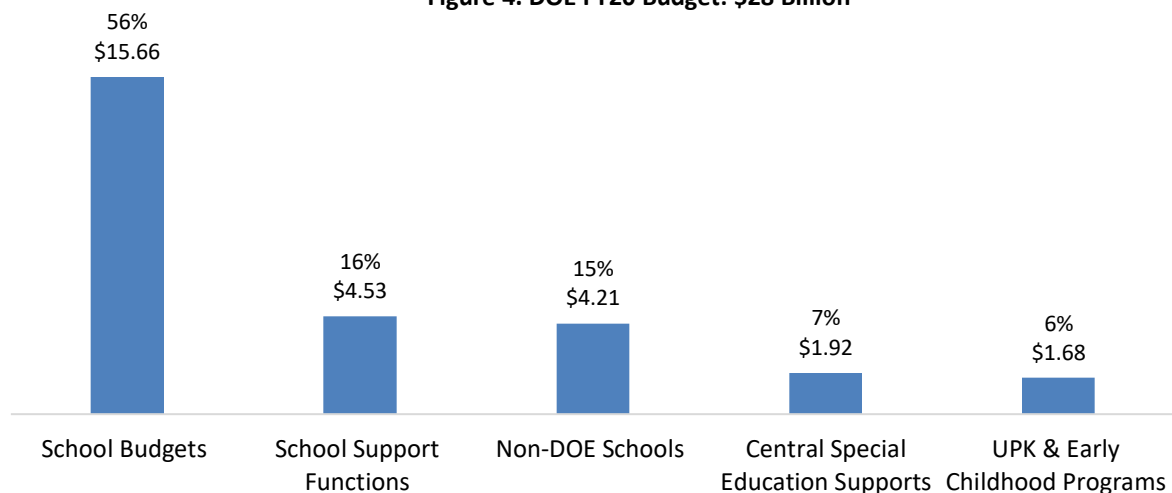
The DOE's Fiscal 2021 Preliminary Budget totals \$28 billion, 28.8 percent of the City's total \$97.15 billion budget. DOE's budget does not include City spending on pensions and debt service for DOE, which are budgeted separately and centrally. Total DOE related pension costs for Fiscal 2021 are projected to be \$3.71 billion, while the total debt service is projected to cost \$2.13 billion, and fringe is projected at \$309.7 million.

The City's total Fiscal 2021 education-related spending is \$34.16 billion, 35.2 percent of the City's total budget, as reflected in Figure 3. However, since pension, fringe and debt service costs are not included in the DOE's budget, when discussing the Department's Preliminary Budget we refer to the budget of \$28 billion.

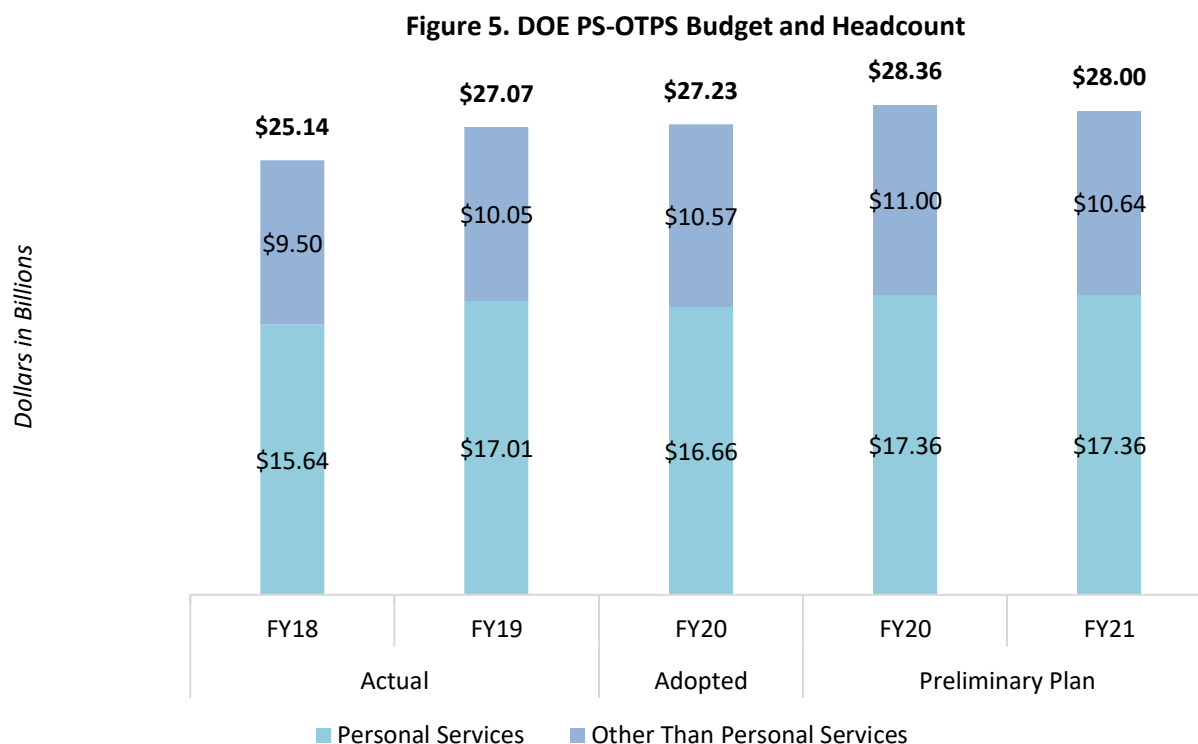
Figure 3. Education-related Spending is 35.2% of the \$97.15 FY21 Budget

The Department's budget is categorized into 30 different units of appropriation (U/As). In this paper these categories are organized into five major areas of spending in order to guide review and analysis of the Preliminary Fiscal 2021 Budget. The five areas, reflected in Figure 4, are as follows:

1. **School Budgets.** This category includes the U/As for general education and special education instruction and school leadership, as well as categorical programs. This category also includes DOE fringe costs in school budgets, as school-based staff are associated with most of most fringe costs.
2. **School Support Functions.** This category includes the U/As for school food, safety, transportation, facilities, school support organizations, and central administration.
3. **Non-DOE Schools.** This category includes the U/As for special education prekindergarten (pre-K), charter schools, and non-public schools.
4. **Central Special Education.** This category includes the U/As that support District 75 schools and related services for students with Individualized Educational Programs (IEPs).
5. **Universal Prekindergarten (UPK) and Early Childhood Programs.** This category includes U/As for pre-K for both three- and four-year old's, as well as childcare programs for eligible children from birth to 5 years old.

Figure 4. DOE FY20 Budget: \$28 Billion

As reflected in Figure 5, most of the spending is for Personal Services (PS). For the upcoming fiscal year PS is budgeted at \$17.4 billion. This is 62 percent of DOE's budget and is used to support more than 136,000 full-time equivalent employees (FTE). Other Than Personal Services (OTPS) is budgeted at \$10.6 billion, or 38 percent of DOE's budget. The OTPS budget funds charter schools, contract schools, pupil transportation and various other instructional and non-instructional materials and services.



The Department's PS budget for Fiscal 2021 increases by \$700.4 million when compared to the Fiscal 2020 Adopted Budget. This is largely due to increases in headcount and wages as a result of collective bargaining agreements. Most of the Department's staff work directly in its 1,601 district schools and have are teachers titles.⁴ As of November 2019, there were 105,078 full-time school-based staff, approximately 78 percent of DOE's Fiscal 2020 budgeted headcount for FTE staff of 134,551.⁵ The Department's Fiscal 2021 PS Budget of \$17.36 billion supports a budgeted headcount of 136,822 FTE staff, an increase of 2,271 FTE positions when compared to the Fiscal 2020 Adopted Budget.

The Department reports 111,476 total positions for school-based and borough field support staff, which includes the 105,078 FTE positions mentioned above, as well as 6,398 part time positions.⁶

⁴ LCGMS. Retrieved from <https://infohub.nyced.org/in-our-schools/operations/lcgms>

⁵ School-Based Staff Headcount Fiscal 2020 Term and Condition. Retrieved from:

<https://council.nyc.gov/budget/fy2020/>

⁶ Id.

These positions encompass 105 different staff titles. This includes 72,158 teacher titles, or 64 percent of the total headcount. While most school-based staff are teachers, the DOE also reports having 16,426 paraprofessionals, 5,580 school aides, 2,728 guidance counselors, 1,640 principals, and 860 social workers. The DOE's headcount report does not include information on the number of custodial engineer or school nurse titles. Teacher salaries for DOE teachers range from \$59,291 to \$124,909, with an average teacher salary of approximately \$92,000. The large range in salary is due to the consideration of various education levels, years of experience, and additional credentials or certifications. There is a planned teacher salary increase that will take effect May 14, 2021 and will increase the salary range to \$61,070 to \$128,657.⁷

The Fiscal 2021 OTPS budget increases by \$70.2 million when compared to the Fiscal 2020 Adopted Budget, which is the result of a variety of changes across program areas, such as Universal Pre-K and Categorical Programs. The most significant change is a \$92.6 million increase for charter schools based on a growing projected charter school enrollment. This increase does not include the impact of the Governor's proposed 5.3 percent increase in per pupil charter tuition rates, totaling \$150 million, nor does it include the effects of reopening charter schools that have been closed. (See page 33 for further discussion).

November 2019 Financial Plan and Fiscal 2021 Preliminary Budget Highlights

Changes included in the Preliminary Budget and November 2019 Financial Plan decrease DOE's Fiscal 2021 Budget by \$76.1 million. While the Preliminary Budget and November Plan add a modest \$6 million in new needs to the Fiscal 2021 budget, as well as \$83.2 million in other adjustments, the Department has concurrently identified \$165.8 million in savings. The \$165.8 million in savings are reoccurring through Fiscal 2022 and 2023.

Additionally, changes introduced in the November 2019 and Preliminary Financial Plans increase DOE's Fiscal 2020 Budget by approximately \$1.13 billion. These changes include \$219.7 million in new needs, \$22 million in savings, and \$932 million in other adjustments. New needs are mostly related to Carter Cases and student transportation cost. All these changes are listed in Appendix A on page 57. Significant new needs, savings, and other adjustments in both the November 2019 and Fiscal 2021 Preliminary Plan are discussed below.

New Needs

- **Indirect Cost Rate.** The November 2019 Financial Plan added and baselined \$5.96 million in City funding to raise the indirect cost rate included in certain DOE contracts. Non-profits with health and human service contracts can claim additional funding for indirect costs. Not all DOE contracts are subject to an indirect rate increase, including contracts supported with federal or State funding that prohibit the City from applying the Cost Policies and Procedures

⁷ United Federation of Teachers Salary Schedule – 2018-2021. Retrieved from: <http://www.uft.org/our-rights/salary-schedules/doe/teachers>.

Manual, City Council discretionary contracts, and UPK contracts, all of which are excluded from this initiative.⁸

- **Carter Cases Adjustment.** The Fiscal 2021 Preliminary Plan added \$150 million to the Fiscal 2020 Budget to address increased spending related to Carter cases. While the Adopted Fiscal 2020 Budget included \$390.2 million for Carter cases, current year spending has risen to \$540 million. Although costs related to Carter cases keep rising year-to-year, the Department has only budgeted \$405.6 million for Carter cases in Fiscal 2021. The Council anticipates further changes to the budget for Carter cases in the Executive Financial Plan. For more information on the Department's Carter case spending please see page 42.
- **Transportation Budget Adjustment.** The Fiscal 2021 Preliminary Plan added approximately \$63.7 million to the Fiscal 2020 Budget to address the transportation budget funding shortfall. Of the \$63.7 million, \$43.7 million is related to increased costs for special education bussing, as there has been a 3.2 percent year-over-year growth for this service. General education bussing accounts for \$11.8 million of this new need spending. The remaining funds are to address a funding shortfall in the Office of Pupil Transportation and to support 10 additional positions related to continued work with the VIA application.

Citywide Savings Program

- **Professional Development Reduction.** The November 2019 Plan identified and baselined \$14.6 million in savings for Fiscal 2021 and in the outyears related to professional development (PD) reductions. The Preliminary Plan then identified an additional \$31 million in savings for Fiscal 2021 and in the outyears related to PD. These savings are a result of a reduction to centrally offered PD trainings that have been found to be either inefficient, underutilized, or repetitive. Pedagogues will continue to have access to various PD offerings, including those that are required for certifications or licensing.
- **Programmatic Underspensing.** The November 2019 Plan identified \$12.5 million in savings for Fiscal 2021 and in the outyears related to programmatic underspending. Similarly, the Preliminary Plan identified an additional \$1.3 million in savings for Fiscal 2020, and \$15.6 million in savings for Fiscal 2021 and in the outyears related to school food and adult education. These savings are a result of budget adjustments to programs that have had historical underspending and an attempt to right-size budgets to match actual spending from prior fiscal years. According to the Department, there will be no programmatic reduction or changes to any programs whose budgets were identified as part of this savings.
- **Staffing Efficiencies.** The Preliminary Plan baselined \$39 million in savings for Fiscal 2021 and in the outyears as a result of a system wide push to hire teachers in the Absent Teacher Reserve (ATR) pool and place them in full-time school teaching positions.

⁸City of New York Health and Human Services. Retrieved from:

<https://www1.nyc.gov/assets/nonprofits/downloads/pdf/NYC%20HHS%20Cost%20Policies%20and%20Procedures%20Manual.pdf>

- **Universal Pre-K Grant.** A \$3.1 million savings was identified in the Preliminary Plan as a result of the State awarding the City a grant related to UPK. With this grant, DOE can reduce City spending related to pre-K by \$3.1 million.
- **Transportation Aid.** The Fiscal 2021 Preliminary Plan identified a \$500,000 savings for Fiscal 2020 and in the outyears as a result of a State reimbursement for labor related to Transportation Aid for special education. This accounts for 49 percent of the total \$1.2 million expenditure associated with these labor costs.
- **Absent Teacher Reserve Severance Program.** The November 2019 Plan identified \$10.9 million in savings for Fiscal 2020 and baselined \$30 million in savings for Fiscal 2021 and in the outyears in relation to the Absent Teacher Reserve (ATR) Severance Program. This is a result of the Department no longer paying the salaries of employees in the ATR pool who accepted a \$50,000 buyout. Savings identified in the November Plan for Fiscal 2020 are severance payouts that were scheduled in October and November 2019. The Department anticipates 250 employees will accept the buyout in the current fiscal year and anticipate this buyout to increase in Fiscal 2021.
- **Strengthen Procurement Controls.** The November 2019 Plan baselined \$10 million in savings for Fiscal 2020 and in the outyears as a result of the Department requiring schools to review encumbrances in the Financial Management System, to ensure that schools did not exceed the costs of goods and services that they received. The \$10 million in savings is a direct result of purchase orders that were not utilized.
- **Elimination of Hold Harmless.** The November 2019 Plan identified \$8.4 million in savings for Fiscal 2021 and in the outyears related to the incremental elimination of ‘hold harmless’ allocations that provided about 160 schools with additional supports. These schools will see less than an average of \$32,000 in reduced funding. This savings will not impact the Fair Student Funding formula allocations for these schools.
- **Food Contract Efficiencies.** The November 2019 Plan identified \$4 million in savings for Fiscal 2021 and in the outyears related to a non-Breakfast in the classroom menu offering that saves approximately five cents per meal for an estimated 20 million meals. This savings is also a result of a new chicken procurement which saves the Department roughly ten cents per portion.
- **Preschool Assessment Centers Administration.** A \$3 million savings was identified in the Preliminary Plan for Fiscal 2020 and in the outyears as a result of an increase in State revenue for Preschool Assessment Centers (PRAC). The Department reports an increase in PRAC headcount thus allowing for an increase in State reimbursement.
- **YMI Adjustment.** The November 2019 Plan identified \$655,000 in savings for Fiscal 2021 and \$1.3 million in the outyears related to a citywide adjustment of funding and headcount for the Young Men’s Initiative (YMI).
- **Agency Phone Plan Review.** The November 2019 Plan identified \$21.6 million in savings in Fiscal 2020 and \$43.2 million in savings in Fiscal 2021 and in the outyears related to a

citywide initiative that migrates agencies to Master Service Agreements, which offer better contract rates for phone plans.

Other Adjustments

- **Pay Parity for Early Education Teachers.** Pursuant to the Adopted Fiscal 2020 Budget, the November 2019 Plan included \$19.2 million in Fiscal 2020 growing to \$56.7 million in Fiscal 2022 and \$63.2 million in Fiscal 2023, to provide parity for early childhood teachers with bachelors and master's degrees. The Preliminary Plan adds an additional \$1.3 million for L237 collective bargaining in Fiscal 2020 growing to \$2.2 million in Fiscal 2021 and in the outyears. Approximately 315 certified pre-Kindergarten teachers saw phased-in wage increase beginning in October 2019, with parity for first year UFT teacher salaries achieved by October 2021. Non-certified early education teachers and support staff will also see increases in compensation. District Council 1707, Local 205, and non-union teachers will receive a 2.75 percent salary increase beginning October 1, 2020. Approximately 900 non-certified pre-Kindergarten teachers and 3,000 support staff such as janitors and cooks also received a \$1,800 bonus, and a two percent wage increase in Fiscal 2020 growing to 2.25 percent by Fiscal 2023. Approximately 2,650 certified Head Start and Early Head Start program staff will see parity with DOE first-year teachers over three years at a cost of \$7 million. Non-certified Head Start teachers and support staff will receive a \$1,000 ratification bonus.
- **Early Learn Adjustment.** The November 2019 Plan recognized an adjustment of \$1.5 million in Fiscal 2020 and in the outyears, as well as the addition of 50 positions to the Early Childhood Programs and Central Administration U/A's. This is a headcount transfer from ACS to the Department as a result of the EarlyLearn and Birth-to-Five childcare system moving from ACS to DOE. EarlyLearn requires families to be eligible under Child Care Block Grant (CCBG) rules in order to receive services. These staff were pending transfer until the State approved the City's plan to move EarlyLearn eligibility determinations to DOE. This adjustment is also reflected in the Budget for ACS.
- **Other Collective Bargaining Adjustments.** The November 2019 Financial Plan recognizes \$673 million in additional funding for recently settled collective bargaining agreements with unions representing DOE employees. The largest adjustment of \$650 million in Fiscal 2020 is a lump sum for various collective bargaining agreements and for Fiscal 2020 only. The remaining \$23 million in collective bargaining grows to \$31.5 million in Fiscal 2021 and in the outyears and is for agreements made with unions representing school custodians and school safety agents.

Funding Summary

The DOE receives federal and State aid in addition to its City tax-levy (CTL) funds. Table 1 shows the various funding sources, including notable State and federal aids. DOE's total budget for Fiscal 2021 is \$28 billion, approximately \$770.1 million more compared to the Fiscal 2020 Adopted Budget. The increase includes a \$211.7 million increase in City funding, a projected \$421.6 million increase in State funding, while federal revenue increases by \$18.8 million.

Table 1. DOE Budget by Funding Source				
<i>Dollars in Thousands</i>	FY20 Adopted	Preliminary Plan		*Difference
		FY20	FY21	FY20-FY21
CITY SUBTOTAL	\$13,456,075	\$14,342,818	\$13,867,734	\$411,659
State				
Building Aid	\$518,675	\$518,675	\$511,626	(\$7,049)
Charters	100,171	100,171	100,171	0
Family Ct-Pre Kindergarten	533,302	533,302	543,653	10,351
Food Aid	16,520	16,520	16,520	0
Foundation Aid	8,069,780	8,066,645	8,491,408	421,628
High Cost Aid	258,930	293,202	258,930	0
Occupational Education Aid	122,114	127,672	122,114	0
Private Excess Cost Aid	169,488	161,882	169,488	0
Summer School Age Handicapped	135,009	135,009	135,009	0
Transportation Aid	555,539	591,619	556,039	500
Universal Pre-K	544,863	547,963	547,963	3,100
Other	367,907	374,314	368,395	488
STATE SUBTOTAL	\$11,392,299	\$11,466,975	\$11,821,316	\$429,017
Federal				
Child Care Block Grant	\$125,000	\$125,000	\$125,000	\$0
Head Start	131,623	131,623	131,623	0
Individual Disability Ed. Act	269,782	269,782	269,782	0
Medicaid	123,500	123,500	123,500	0
School Breakfast Program	143,510	143,510	145,781	2,271
School Lunch	359,514	359,514	359,514	0
School Summer Feeding	18,108	18,108	18,108	0
Title I	709,101	709,101	709,101	0
Title II -Math & Science Funds	108,000	75,500	75,500	(32,500)
Title IV-A - Student Support/Enrichment	0	49,000	49,000	49,000
Other	118,003	118,003	118,003	0
FEDERAL SUBTOTAL	\$2,106,142	\$2,122,642	\$2,124,913	\$18,771
Federal				
Federal Community Development	\$77,847	\$182,592	\$10,508	(\$67,339)
Intra-City	9,976	56,879	9,979	2
Other Categorical/Private	190,099	190,099	168,594	(21,505)
OTHER SUBTOTAL	\$277,922	\$429,571	\$189,081	(\$88,842)
TOTAL DOE FUNDING	\$27,232,438	\$28,362,005	\$28,003,044	\$770,606

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

City Funding

The DOE's Fiscal 2021 Preliminary Plan includes \$13.87 billion in City funding. City funds are approximately 50 percent of the Department's funding. The increase in City funds, since the Fiscal 2020 Adopted Budget to the Preliminary Fiscal 2021 Budget is \$411.7 million, or three percent. The increased City funds are due to changes from prior plans including \$59.8 million for 3-K, \$24.7 million for transportation spending, \$283.1 million for collective bargaining and other minor adjustments. City funding fully supports both the Carter case and transportation new needs in the Preliminary Plan which only impact Fiscal 2020 totaling \$213.7 million. The effects of the November and February financial plans on the Fiscal 2021 budget since adoption amount to \$99.2 million in decreased City funds from other adjustments. The only new need from the November Plan was \$6 million to address the indirect cost rate increase fully covered with City funds. It is important to note that the City's overall contribution to education-related expenses is greater than that shown in DOE's budget, because City funding supports other education-related expenses including pension and debt service costs.

State Funding

The DOE's Fiscal 2021 Preliminary Budget projects a \$429 million increase in State funds as compared to the Fiscal 2020 Adopted Budget. The biggest category of State funding is Foundation Aid, which provides unrestricted funding to support a sound basic education. The year-over-year increase in State funding is largely due to the expected growth in Foundation Aid. State revenue comprises 42 percent of the Fiscal 2020 Budget. DOE uses State funding to support essential programs and services in City schools. Many of these programs are mandated by the State, and the City is required to support these programs without full State support. For example, the State pays for a portion of charter school payments, special education services, transportation, and school food, with the City required to fund the remainder for these programs. State funding is primarily allocated through formulas based on a variety of factors including the number and type of students enrolled in New York City public schools. It is important to note that State funding reflected in DOE's Preliminary Plan does not match the State's proposed Fiscal 2021 Executive Budget, but rather reflects what the City expects to receive in the State's Enacted Budget. See the discussion of the 2021 State Executive Budget in the next section for further details.

Federal Funding

The DOE's Fiscal 2021 Preliminary Budget includes an \$18.8 million increase in federal funds compared to the Fiscal 2020 Adopted Budget. This increase is largely due to \$49 million increase in Title IV-A funds, which provides funding to support a well-rounded education, the improvement of school conditions and the improvement of digital access and literacy.

Other Funding

Other Categorical/Private funding in Fiscal 2021 includes \$50 million in private grants, \$73.7 million from the School Construction Authority (SCA) for capital work performed by the Division of School Facilities (DSF), \$5 million for non-resident tuition, and \$6.7 million for the Retirement System (BERS). Private/Other Categorical funding has decreased since Adoption, largely due to a one-time grant funding for accessibility projects, funded by federal Community Development Block Grant (CDBG) revenue in Fiscal 2020.

Miscellaneous Revenue

In addition to revenue from outside sources, the Department also generates revenue from several programs, which is categorized as miscellaneous revenue. DOE's miscellaneous revenue, shown in Table 2, is projected to total \$52.7 million in Fiscal 2021. This includes \$8.2 million in grant refunds, \$36.5 million in rental fees, and \$7 million in sundries such as United Federation of Teachers (UFT) fees. These estimates remain unchanged in the Fiscal 2020 and Fiscal 2019 budgets. Actual revenue for these sources does show these funding sources to be stable as shown in the table below. The miscellaneous budget still includes food service fees because some adults purchase meals from school cafeterias.

Table 2. DOE Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Food Services Fees	\$1,207	\$1,060	\$1,000	\$1,000	\$1,000	\$0
Grant Refunds	9,052	6,395	8,174	8,174	8,174	0
Extended School Use Rental	34,849	37,604	36,500	36,500	36,500	0
UFT Fees, Misc. Coll/Refunds	9,750	10,894	7,000	7,000	7,000	0
TOTAL	\$54,858	\$55,953	\$52,674	\$52,674	\$52,674	\$0

Fiscal 2021 State Executive Budget Issues

School Aid comprises the major source of New York State revenue for DOE and has traditionally included Foundation Aid and expense-based aids. In 1993, the Campaign for Fiscal Equity, sued the State of New York, contending that New York City public schools did not provide students with a “sound basic education” because they did not receive enough funding. In 2003 the Court of Appeals ruled in CFE’s favor, and State leaders subsequently adopted the State Education Budget and Reform Act of 2007 to increase school aid over four years by \$7 billion annually, including \$3.2 billion for NYC.⁹ As a result of the legislation, 30 individual State Aid programs, were consolidated into “Foundation Aid”, to be used as a mechanism that would ensure money was better targeted to the schools most in need. Expense-based aids are formula aids that include funding for pre-K, special education services, school supplies, transportation, and capital projects.

The Fiscal 2021 New York State Executive Budget (Executive Budget) proposes increasing School Aid by approximately three percent or \$826 million statewide. This would bring total School Aid to \$28.6 billion, up from \$27.7 billion this year. This School Aid increase includes a \$704 million increase in Foundation Aid Statewide or 3.5 percent. Of this increase, \$11.6 billion in School Aid is for NYC, or 41.6 percent of the entire Executive Budget Proposal.¹⁰

Table 3. FY21 State Executive Budget Impact				
<i>Dollars in Millions</i>				
School Aid Type	NYS FY20 Executive Budget Base Aids	NYS FY21 Executive Budget Proposal - Estimated Aids to NYC	NYC Budgeted Revenue for FY21	FY21 Excess (shortfall)
Foundation Aid	\$8,086	\$8,618	\$8,491	\$128
Merged Expense Based Aids*	309	0	300	(300)
Expense-Based Aid**	2,940	2,941	2,884	57
<i>Customary Deduction</i>			20	(20)
Total	\$11,335	\$11,559	\$11,695	(\$136)
<i>Community School Set-aside</i>	<i>\$118</i>	<i>\$139</i>		

*These expense-based lines are being merged under the Governor’s proposal: Academic Enhancement, Special Services, Hardware & Technology, Charter School Transitional, High Tax Aid, BOCES and Software, Library, Textbook.

**This includes Universal Pre-Kindergarten; High Cost Excess Cost; Private Excess Cost; Transportation Aid; and Building Aid.

⁹ Citizen’s Budget Commission NYC. Retrieved from: <https://cbcny.org/research/better-foundation-aid-formula>

¹⁰ New York State FY 2021 Executive Budget. Retrieved from: <https://www.budget.ny.gov/pubs/archive/fy21/exec/index.html>

Table 3 above shows State Aid received for Fiscal 2020, State Aid as proposed in the Governor's Executive Budget for Fiscal 2021, revenue as estimated by OMB for Fiscal 2021 forecasted off current budget, and the resulting shortfall from comparing the latter two. The City has budgeted an estimated \$11.7 billion in School Aid revenue for Fiscal 2021, or a three percent increase from the prior year; whereas the State's Executive Budget proposal only includes a 1.8 percent increase in School Aid to NYC. As a result, the City is left with an estimated shortfall of \$136 million for Fiscal 2021, or 1.2 percent less than budgeted. While Foundation Aid seems to grow by \$127.1 million in Fiscal 2021, the Executive Budget proposes to consolidate 10 expense-based aids into Foundation Aid, that were expected to generate \$300 million in revenue for NYC alone, thus contributing to the \$136 million shortfall. The Executive Budget also proposes to increase by \$21.2 million the Community School set-aside to continue support for the transformation of high-need schools into community hubs. The set aside would require the DOE to dedicate \$138.9 million of its Foundation Aid to community schools. The State Executive Budget proposals that would have significant impact on the City's budget are discussed in further detail below.

- **Foundation Aid.** The Executive Budget proposes consolidation of 10 expense-based aid categories into Foundation Aid starting in the 2020-21 school year, to "direct more expense-based aids to high need districts". The consolidation of existing expense aids into Foundation Aid, in fact artificially reduces the amount of Foundation Aid that is owed to City schools. While the Executive Proposal shows a \$127.1 million increase in Foundation Aid, it does not account for the \$300 million in additional expense aid revenue otherwise included in the DOE's budget. As a result, this consolidation accounts for most of the \$136 million budget shortfall.
- **Transportation Aid.** The Executive Budget includes a \$42 million increase in Transportation Aid than was budgeted in DOE's Fiscal 2021 Budget, however the State Budget proposes to cap growth in future Transportation Aid for operating expenses to the greater of inflation or inflation plus district enrollment growth. This Transportation Aid cap would create at least a \$30 million shortfall in the outyears, thus reducing State support for the transportation of general and special education pupils.
- **Building Aid.** The Executive Budget modifies the calculation of Building Aid by creating a new tier of Building Aid for projects approved beginning in the 2020-2021 school year. This would lower the building aid ratio for NYC from 57 percent to 53 percent and will result in lower Building Aid in Fiscal 2021 and in the outyears. This would decrease State capital funding for schools.
- **Charter School Tuition.** Compounding the 5 percent increase to tuition in the previous fiscal year, the City estimates a 5.3 percent increase of per pupil charter school tuition or an additional \$150 million in charter school spending for Fiscal 2021, not reflected in DOE's budget.
- **Charter School License Re-issuing.** In addition to proposing an increase of 5.3 percent to NYC charter school per pupil tuition, the Executive Budget proposes re-issuing the licenses of charter schools that have closed before July 2015. By allowing up to 17 charter schools to re-open, this proposal would bring the total count of charter schools in NYC from the current cap of 260 to 277, or \$150 million in additional charter school spending for Fiscal 2021 which is again yet to be reflected in DOE's budget. Without a matching increase in State Aid for charter schools, DOE

is left with an unfounded mandate to account for the increase in per pupil tuition and the re-opening of formerly closed charter schools.

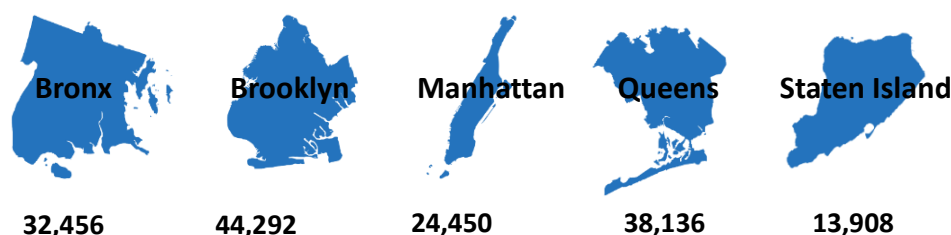
The compounding result of all these proposed state budget actions result not only in an estimated shortfall of \$136 million in state aid but add a great deal of uncertainty to what the final Fiscal 2021 DOE budget will entail. Of particular concern the codification of reduced state aid growth in future years and merger of expense aid categories will result in a widening gap between what NYC is owed under the CFE settlement and what the State is providing in addition to the merger of expense aid categories show a faster growth in foundation aid this year.

Council Initiatives

The City Council has long supported educational programs in schools with discretionary funding. As of February 27, 2020, the Council has added \$29.3 million in discretionary funding to DOE's budget. City Council Education Initiatives support a range of programs for students and schools. Some of these initiatives are funded through the Department of Youth and Community Services (DYCD) and the City University of New York (CUNY). Altogether, Education Initiatives total \$30.4 million this year. Additional discretionary allocations to DOE total \$2.8 million. Table 4 presents a summary of discretionary funding allocation to DOE in Fiscal 2020. Council-funded initiatives included in the Fiscal 2020 Budget are not accounted for in the Fiscal 2021 Preliminary Budget.

Table 4. FY20 Council Initiative Funding in DOE's Budget			
<i>Dollars in Thousands</i>			
Education Initiatives	DOE	CUNY	DYCD
College and Career Readiness	\$1,578		
Community Schools	3,750		
Discretionary Child Care	5,766		
Educational Programs for Students	6,654	1,000	1,450
Jill Chaifetz Helpline			250
LGBTQ Inclusive Curriculum	600		200
Physical Education and Fitness	1,125		1,050
Social and Emotional Supports	1,844		
Support for Educators	4,400		
Work-Based Learning Internships	715		
Subtotal	\$26,432	\$1,000	\$2,950
TOTAL Education Initiatives	\$30,382		
Other Initiatives			
A Greener NYC	\$120		
Anti-Poverty	36		
Boro	73		
Crisis Management System	640		
Local	1,427		
Peter F. Vallone Academic Scholarship	532		
TOTAL	\$29,259		

In Fiscal 2019, programs supported by City Council Education Initiatives reached approximately 155,000 students and supported over 86 types of programming. As shown in Figure 6 pupils across all five boroughs participated in programming supported by Council funding. According to reporting from our 37 community-based providers, as well as programs administered directly by DOE, Council funding supported programs that reached approximately 17,224 educators and more than 41,826 community members.

Figure 6. Number of Students Reached By Borough

Changes and Additions

For Fiscal 2020, the Dropout Prevention and Intervention initiative and Child Mind Institute initiative were restructured to better reflect the services and goals of the programs funded. As a result, two new initiatives were created; College and Career Readiness, and Social and Emotional Support for Students. These initiatives support providers previously funded through the Child Mind Institute and Dropout Prevention and Intervention initiatives.

DOE's budget for Fiscal 2020 includes approximately \$5.77 million for Discretionary Childcare added by the Council for the support of childcare programs and for the expansion of childcare slots. In addition, the Administration has agreed to continue funding some of the childcare contracts that were previously funded by the Council for one-year only, at a cost of \$4.5 million. In Fiscal 2019, this funding was in the ACS budget, however, since the birth-to-five care system has been transferred from ACS to DOE, the Fiscal 2020 funding is reflected in DOE's budget.

Through Council advocacy, the Administration agreed to fund and baseline \$20 million in funding for Teacher's Choice, which had been historically funded by the Council. This initiative provides educators with up to \$250 to spend on school supplies. The Administration had also agreed to pick up the \$1 million in funding to support the Council's Halal and Kosher pilot program; page 48 of the report provides more information on the Halal and Kosher pilot program.

For more detailed information on these initiatives, please see Appendix B on page 58.

Financial Plan Summary

The DOE's expense budget is organized by unit of appropriation (U/A), each of which represents a function of the Department as seen in Table 5. Currently DOE's budget is divided into 30 units of appropriation. The Council must approve the Department's budget at the U/A level before it is adopted.

The Department's Fiscal 2021 Preliminary Budget is approximately \$28 billion, \$770.6 million more than the proposed Fiscal 2020 Budget at Adoption, or a 2.8 percent increase. Most of the growth of DOE's budget for Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget is due to increases reflected in previous Financial Plans. This increase in spending is largely due to additional headcount and collective bargaining agreements, as well as increases scheduled in prior Financial Plans for the costs of mandated programs such as special education and charter schools.

There are several inaccurate spending projections in the Department's budget for the upcoming fiscal year. Spending on special education related services continues to be an area of concern for the Department's budget. As previously mentioned, Carter Cases are underfunded for Fiscal 2021

by approximately \$134.4 million, when compared to the current budgeted of \$540 million in Fiscal 2020. The Department has also failed to add any new funding to support compliance with the State's Corrective Action Plan for special education imposed on DOE as a result of systematic failures in providing special education services.

In the 2020 Executive Financial Plan the Department baselined a new need of \$33.4 million for Fiscal 2021 and in the outyears to support various special education initiatives, as well as re-allocated \$18 million in Carter Case funding to support additional special education pre-K classrooms. The \$33.4 million investment was intended to improve services related to special education in instructional settings, as well as improve the timeliness of the impartial hearing process. Furthermore, the 2020 Executive Financial Plan added \$9.9 million to support an increase in headcount for Carter Case attorneys. The Preliminary Plan does not include any additional funding to continue the support of these initiatives. Additionally, the Preliminary Plan does not include additional funding to support the pay increase of special education impartial hearing attorneys, which is expected to be implemented in April 2020. The Department must continue to make extensive investments year over year to adequately address the needs of our special education students and the increase in related spending. For more information on the Department's Special Education spending please refer to pages 28, 41 and 44 of the report.

The transportation budget serves as another budget risk for DOE in Fiscal 2021 as month-to-month emergency contracts and costs associated with VIA have led to increasing budgets and adjustments as discussed on page 44, and in the Transportation section of this report.

A new contract was approved with New York City School Support Services (NYCSSS), the non-profit DOE contracts with for custodial services, has not been budgeted in the Financial Plan. The total value for this new contract is \$6.4 billion and the contract period is from Fiscal 2021 to Fiscal 2028. The contract includes an annual prevailing wage increase of three percent and fringe benefit increases of 5.5 percent, which take effect in Fiscal 2021. It is expected that additional funding will be added to NYCSSS budget in the Executive Budget. Further details regarding the new contract and the history of NYCSSS is detailed in the School Facilities portion of the report.

Other risks to DOE's budget for Fiscal 2021 are the result of the previously discussed proposed State Executive Budget. DOE's current Financial Plan reflects a \$136 million shortfall in State aid as a result of proposed changes in the Governor's Executive budget. This may grow further depending on budget actions in Albany. In addition to the \$136 million shortfall, charter schools pose budget risks to the DOE. First, OMB estimates current law will result in a 5.3 percent increase in charter tuition with an estimated impact of \$150 million. Additionally, the Governor proposed the reopening of # charter schools that will also have a \$150 million impact as well. For more information, refer to the State Executive Budget section of this report. Lastly, budgeted facilities payments for charter school leases are budgeted at \$68.7 million as of the Fiscal 2020 Adopted budget and remain at that level through the Financial Plan even though actual spending reached \$86.2 million in Fiscal 2019.

Table 5 provides shows DOE's budget by U/A since Fiscal 2018, with a comparison of the Fiscal 2021 Preliminary Plan to the Fiscal 2020 Adopted Budget.

Table 5. DOE Financial Plan Summary

	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Budget by Unit of Appropriation						
401 - GE Instr. & Sch Ldrshp - PS	\$6,607,337	\$7,136,173	\$6,807,765	\$7,158,470	\$6,946,727	\$138,963
402 - GE Instr. & Sch Ldrshp - OTPS	823,927	888,090	796,798	789,855	748,060	(48,738)
403 - SE Instr. & Sch Ldrshp - PS	1,868,288	2,083,460	1,935,200	2,062,929	2,164,288	229,088
404 - SE Instr. & Sch Ldrshp - OTPS	5,092	4,885	5,440	5,440	5,440	0
406 - Charter Schools	1,880,740	2,109,148	2,296,060	2,297,037	2,388,630	92,570
407 - Universal Pre-K - PS	490,204	567,632	519,997	537,093	568,744	48,747
408 - Universal Pre-K - OTPS	409,787	438,502	475,845	486,794	552,855	77,010
409 - Early Childhood Programs - PS	7,733	62,347	87,720	91,644	87,891	171
410 - Early Childhood Programs - OTPS	3,176	21,975	503,034	517,243	471,480	(31,554)
415 - School Support Orgs. - PS	308,830	303,942	305,947	314,553	302,007	(3,940)
416 - School Support Orgs. - OTPS	32,058	36,149	31,734	36,334	32,772	1,038
421 - Citywide SE Instr. & Sch Ldrshp - PS	1,114,739	1,301,704	1,157,509	1,221,930	1,220,684	63,176
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	17,806	21,521	23,956	23,956	24,432	476
423 - SE Instructional Support - PS	330,276	367,760	360,190	376,552	378,726	18,536
424 - SE Instructional Support - OTPS	293,727	278,814	282,038	282,038	295,217	13,179
435 - School Facilities - PS	169,313	175,376	186,123	203,135	193,004	6,881
436 - School Facilities - OTPS	1,070,126	1,026,108	950,813	1,078,284	875,488	(75,325)
438 - Pupil Transportation - OTPS	1,206,567	1,372,210	1,224,154	1,315,362	1,237,759	13,606
439 - School Food Services - PS	235,422	247,544	245,907	245,778	236,604	(9,303)
440 - School Food Services - OTPS	265,738	271,725	316,766	316,766	304,292	(12,474)
442 - School Safety - OTPS	378,057	395,200	407,631	421,770	427,337	19,706
444 - Energy & Leases - OTPS	517,724	541,808	579,103	579,103	579,119	16
453 - Central Administration - PS	202,537	222,380	224,720	228,274	216,635	(8,085)
454 - Central Administration - OTPS	175,387	160,559	146,252	154,481	128,045	(18,208)
461 - Fringe Benefits - PS	3,301,960	3,604,606	3,814,007	3,859,376	3,998,801	184,794
470 - SE Pre-K Contracts - OTPS	743,659	734,378	847,163	847,163	864,706	17,543
472 - Contract Sch/Carters/Foster Care - OTPS	858,979	911,860	841,916	991,916	864,295	22,380
474 - Non-Public and FIT - OTPS	77,397	76,493	93,671	94,243	93,133	(538)
481 - Categorical Programs - PS	1,004,417	940,541	1,012,689	1,057,821	1,044,093	31,405
482 - Categorical Programs - OTPS	743,005	763,958	752,291	766,664	751,778	65,000
TOTAL	\$25,144,009	\$27,066,849	\$27,232,438	\$28,362,005	\$28,003,044	\$770,606

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

Significant Changes by U/A:

- Special Education Instruction and School Leadership—PS.** The largest area of growth is U/A 403, with an increase of \$229 million. The total budget for Special Education Instruction and School Leadership in Fiscal 2021 is projected to be \$2.21 billion, or 7.7 percent of DOE's total budget. This increase is partially related to an increase in headcount of 1,194 pedagogical positions, bringing the total budgeted headcount in this U/A to 30,540. Additionally, an increase in planned spending was included in previous financial plans, such as \$53 million that was accounted for in the Fiscal 2020 Preliminary Plan for UFT Collective Bargaining, and \$95.6 million that was included in the Fiscal 2018 Preliminary Plan for expected PS related outyear growth.
- Fringe Benefits.** The second largest area of growth is in U/A 461, Fringe Benefits, with an increase of \$185 million. The total projected budget for fringe in Fiscal 2021 is approximately \$3.99 billion, or 14.3 percent of DOE's total budget. This increase directly relates to increased healthcare costs.

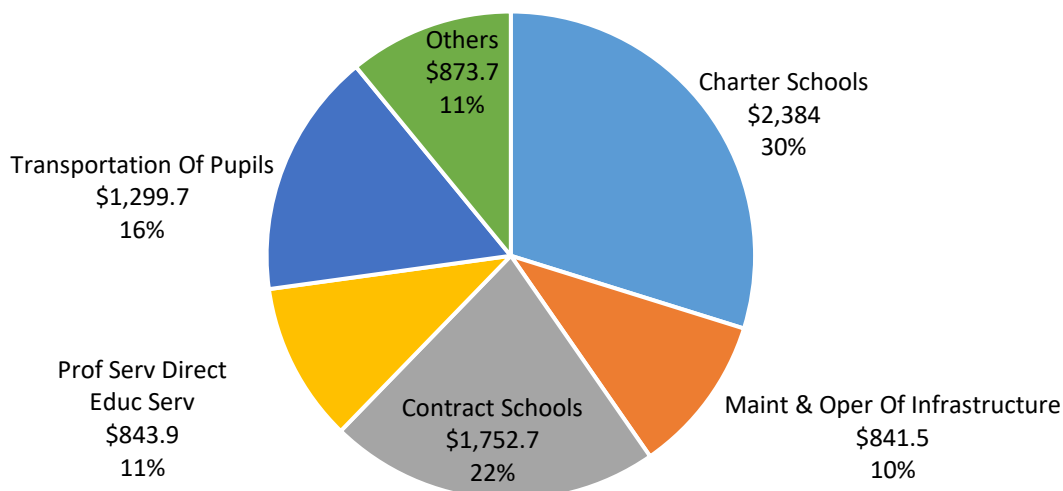
- **General Instruction and School Leadership.** U/As 401 and 402, General Instruction and School Leadership PS and OTPS, account for the third largest increase in the DOE's budget, with a change of \$90.2 million. The OTPS budget decreases by \$48.7 million, however this is offset by the PS increase of \$139 million. The total projected budget for U/A 401 and 402 in Fiscal 2021 is \$7.7 million, or 27.5 percent of DOE's total budget.

Funding for General Education includes the direct instruction for general education students, and school supervision and instructional support services including professional development, parent coordinators, and school aides. Most of this increase was accounted for in previous Financial Plans and reflects scheduled increases in funding for UFT collective bargaining agreements.

- **Charter Schools.** Charter school spending is expected to increase by \$92.5 million, or four percent, for a total of \$2.39 billion in Fiscal 2021. Charter school payments comprise 8.5 percent of the DOE's Fiscal 2021 budget. This budgeted increase accounts for the growing charter school population at existing charter schools that are expanding grades levels and DOE's best estimate of the increased charter school population at charter for the 2020-2021 school year. This increase does not include the effects of State budget actions discussed earlier in this report.
- **Universal Pre-K OTPS.** The Fiscal 2021 Budget for U/A 408 increases by approximately \$77 million when compared to the Fiscal 2020 Adopted Budget. While this U/A only accounts for two percent of DOE's total budget, this U/A saw a 16 percent increase when compared to the Fiscal 2020 Adopted Budget. Most of this spending was reflected in previous Financial Plans and relates to contractual services for community-based organizations offering UPK and 3-K, as well early childhood collective bargaining agreements and the parity deal reached at the Adoption of the Fiscal 2020 Budget. More information on this parity deal can be found on page 35.
- **School Facilities OTPS.** The budget currently reflects a \$75 million decrease in U/A 436, School Facilities OTPS accounts for \$66.2 million of this decrease due to federal funding for accessibility projects that was added in November 2019 Financial Plan for Fiscal 2020 only.

Contract Budget

The DOE has the largest agency contract budget among all City agencies. In Fiscal 2021 DOE contracts will comprise 47 percent of the City's total \$17 billion Contract Budget. The Preliminary Fiscal 2021 DOE Contract Budget totals \$8 billion and 6,407 contracts. Contractual spending as a portion of DOE's expense budget is an estimated 24 percent in the current fiscal year. Eighty-nine percent of DOE's contract spending is concentrated in the following five areas as shown in Figure 7.

Figure 7. DOE FY21 Preliminary Contract Budget*(Dollars in Millions)*

- Charter Schools (\$2.38 billion, 30 percent of the DOE’s contract budget);
- Contract Schools, which are State approved private schools that provide special education services to children with disabilities whose needs exceed the services offered by the City’s public schools (\$1.75 billion, 22 percent of the DOE’s contract budget);
- Pupil Transportation (\$1.30 billion, 16 percent of the DOE’s contract budget);
- Direct Educational Services (\$843.9 million, 11 percent of the DOE’s contract budget); and
- Maintenance and Operations of Infrastructure – General (\$841.5 Million, 11 percent of the DOE’s contract budget).

See Appendix C on page 59 for a detailed breakdown of DOE’s Contract Budget.

Most of the planned increase in contractual spending from Fiscal 2020 to Fiscal 2021 is due to an addition of \$112 million for special education contract schools, \$91.6 million for charter schools and \$54.8 million for pupil transportation.

School Budgets

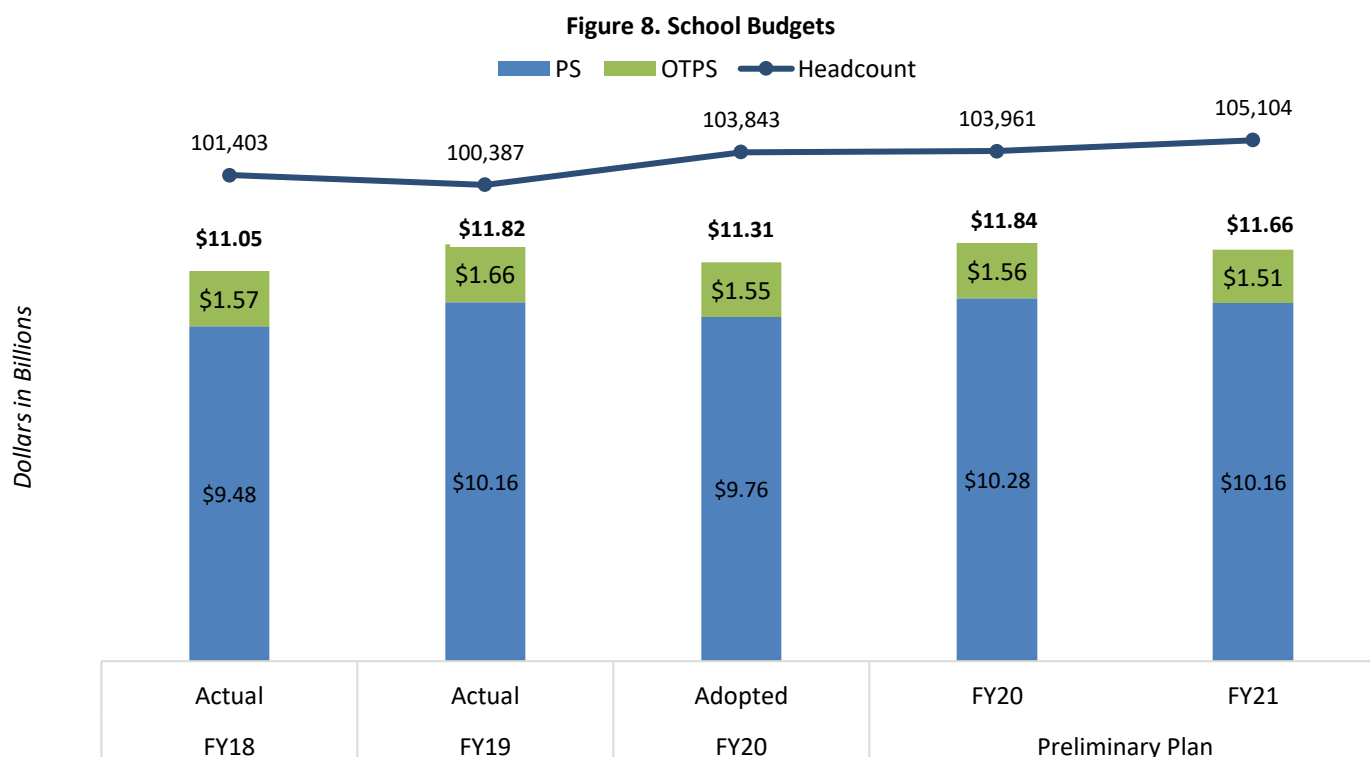
The funding used to operate New York City’s 1,601 district public schools is appropriated to the DOE through several units of appropriation. The City’s budget does not include information on how much money any individual school receives, and it does not show how many employees any individual school has. The budget information is an overview of the Agency’s spending citywide. More detailed school-level budgetary information is made available by the DOE on its website.¹¹

¹¹ NYC Department of Education. Retrieved from: <https://infohub.nyced.org/reports-and-policies/financial-reports/financial-data-and-reports>.

Most of the funding that is allocated to schools to support operations is budgeted centrally within three program areas:

- General Education Instruction & School Leadership (U/As 401 & 402)
- Special Education Instruction & School Leadership (U/As 403 & 404)
- Categorical Programs (U/As 481 & 482)

This section on school budgets provides an overview of the parts of the DOE's budget that fund public schools' and school-based jobs. For the purpose of this report, these three U/A pairs will comprise the majority of spending we relate to school budgets. It is important to note that not all money budgeted in these U/As funds schools' budgets directly, however school budgets will generally be impacted by the actions in these program areas. Figure 8 shows that the total funding for school budgets for Fiscal 2021 is \$11.7 billion, with a full-time budgeted headcount of 105,104 positions. This is a \$350 million increase when compared to the Fiscal 2020 Adopted Budget. Funding for school budgets is 41.6 percent of the entire DOE budget.



As shown above, the total growth for school budgets in the 2021 Preliminary Plan includes an increase of \$400 million in PS and a decrease of \$49.2 million in OTPS, when compared to the Fiscal 2020 Adopted Budget. The proposed Preliminary Budget only includes minor changes to the U/As within school budgets. The only new need funded in these U/As is the indirect cost rate. Most of the year-over-year change in these U/As is from previous financial plans, although a majority of the professional development and programmatic savings in the Fiscal 2021 Preliminary Budget and the Fiscal 2020 November Plan are taken from these U/As: \$20.2 million and \$5 million respectively.

The DOE funds the City's individual schools through a variety of allocation formulas and pass-through funding. Fair Student Funding (FSF) is the primary funding source for schools' budgets and is used by schools to cover basic instructional needs. It is funded primarily by the City, in conjunction with Foundation Aid from the State, and reflected in the school budget U/As.

Fair Student Funding

Fair Student Funding (FSF) is \$10.2 billion this school year and is used by schools to cover basic instructional needs.¹² FSF funding comprises approximately 67 percent of an individual school's budget on average, and principals may spend it at their discretion, with the ability and flexibility to decide how much to spend on teachers and other instructional needs.

The FSF formula allocates funding to schools through five categories (note funding allocated to schools does not include associated fringe costs, which are budgeted separately):

1. Foundation, which is a fixed amount of \$225,000 for each school and may be used at the principal's discretion for administrative staff, teachers, or other services the principal would like to provide;
2. Grade weights, based on student grade levels;
3. Needs weights, based on students' academic needs;
4. Enhanced weights for portfolio high schools, which include CTE and transfer schools; and
5. Collective bargaining, related to increases for staff funded with FSF.

The DOE uses FSF to establish a funding entitlement for every school, other than District 75 schools. However, since the budget does not include enough money to fully fund FSF, not all schools receive their FSF entitlement. The DOE has, since Fiscal 2016, granted all community schools at least 100 percent of their FSF entitlement; newly opened schools are also fully funded. For the 2018-2019 school year, with a \$125 million FSF increase supported by the Council, DOE ensured that every school received at least 90 percent of their FSF entitlement, up from 87 percent in Fiscal 2017. On average, schools receive 93 percent of the FSF entitlement. It would cost \$757 million in Fiscal 2020 to fund all schools at 100 percent.¹³

Headcount

Budgeted headcount for schools in the Fiscal 2021 Preliminary Budget totals 136,822, including 123,968 for pedagogical staff and 12,854 for non-pedagogical full-time staff, an increase of 2,271 overall when compared to the Fiscal 2020 Adopted Budget. The increase is primarily attributed to special education teaching positions, including 1,194 new positions in the Special Education Instruction U/A and 421 new positions in the Citywide Special Education U/A. Additionally, 350 positions are Universal Pre-K pedagogical positions.

¹² New York State School Funding Transparency Forms, FY 2020 New York State School Funding Transparency Form, Department of Education. Retrieved from: <https://infohub.nyced.org/reports-and-policies/financial-reports/financial-data-and-reports/new-york-state-school-funding-transparency-forms> This includes "foundation" and collective bargaining costs.

¹³ Id

In order to track the actual school-based headcount, the Council included a Term and Condition as part of the Fiscal 2020 Adopted Budget to require the DOE to provide semiannual reports on actual headcount of school-based staff (funded through the School Budget U/As, as well as the Early Childhood Program and UPK). Data from this Term and Condition is shown in Table 6. The November 2019 headcount report showed that DOE schools employed a total of 111,476 full and part-time staff. This headcount includes 72,158 teachers, 11,024 individualized education program (IEP) paraprofessionals, 2,728 guidance counselors, 860 social workers, and 513 school psychologists.

With Council advocacy, the Administration baselined \$29.7 million in the Fiscal 2020 Adopted Budget to support a total of 269 social workers. Of these 269 social workers, 85 are supported by \$10.9 million that was re-allocated from DOE's ThriveNYC initiative. These social workers serve as centrally based behavioral crisis responders and are dispatched to students and schools as need arises. Another 100 social workers will continue their work with students in temporary housing, through the Bridging the Gap program. These 100 Bridging the Gap social workers are supported by \$8.1 million. The remaining 84 social workers, supported by \$10.7 million, have been placed at individual schools and provide direct mental health supports to students. As of February 2020, DOE reported 1,533 social workers across its public school system. This data is currently provided in the Report on Guidance Counselors and Social Workers, required by Local Law 56 of 2014, and is available on DOE's website.¹⁴ The Council anticipates an increase in social worker titles will be reflected in the second annual headcount terms and condition report, due to the Council on March 15, 2020.

Table 6. DOE School-based Staff Headcount					
U/A	U/A Title	Jun-18	Dec-18	Jun-19	Nov-19
U/A 401	Gen. Ed. Instr. & School Leadership	71,289	70,520	70,354	68,858
U/A 403	Special Ed. Instr. & School Leadership	28,409	27,968	28,748	28,797
U/A 407	UPK	4,938	5,339	5,410	6,077
U/A 409	Early Childhood Programs	43	425	433	500
U/A 415*	School Support Services				784
U/A 481	Categorical Programs	7,043	6,934	6,553	6,460
TOTAL		111,722	111,186	111,498	111,476
<i>*New to Fiscal 2020</i>					

The Fiscal 2020 Preliminary Mayor's Management Report (PMMR) gives insight into teacher and principal retention and experience. As outlined in Table 7, the percent of teachers with five or more years of experience, as well as the percent of principals with more than four years of experience has slightly increased. Though the PMMR does not reflect a target for these indicators, more experienced teachers and principals are conventionally thought to improve educational outcomes for students; the DOE's own report on the renewal school program highlighted the importance of strong principals.¹⁵ It is important to note that more experienced teachers and principals do cost the City more. The PMMR should include more information on the average salary for teachers in the Department as per years of experience and level of education. The chart also demonstrates

¹⁴ Local Law 56. Retrieved from: <https://infohub.nyced.org/reports/government-reports/guidance-counselor-reporting>

¹⁵ New York City Department of Education, "New York City's Renewal School Program: Lessons in School Turnaround." Retrieved from: <https://cdn-blob-prd.azureedge.net/prd-pws/docs/default-source/default-document-library/renewalreport-25feb2019.pdf>.

that teacher absenteeism has decreased; 13.1 percent of teachers were absent for more than 11 days in Fiscal 2019. High teacher absenteeism increases PS costs for DOE as substitute teachers must temporarily fill positions. However, spending on per session and substitute teachers are not identifiable though existing DOE budget lines.

Table 7: Teacher Headcount							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Teachers	77,446	78,598	78,761	*	*	78,761	78,732
Teachers with 5 or more years teaching experience (%)	66.9%	66.5%	67.3%	*	*	67.3%	69.3%
Teachers hired to fill projected vacancies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Principals with more than 4 years experience as principal	63.2%	66.5%	68.8%	*	*	NA	NA
Teachers absent more than 11 days	13.0%	14.8%	13.1%	*	*	NA	NA

Source: Fiscal 2020 Preliminary Mayor's Management Report

Class Size

Class sizes in any given school results from a combination of factors. The amount of funding available to schools to hire teachers, the number of classrooms in a school, and choices made by school leaders determine the number of students in each class. Table 8 lists data from the PMMR showing average class size per grade for kindergarten through the 8th grade. Data on high school class sizes is excluded from the PMMR but this data is in the DOE Class Size Report discussed below.

Table 8. FY19 PMMR - Class Size Data							
Average class size	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Kindergarten	22.0	21.8	21.6	20.8	20.8	21.6	21.7
Grade 1	24.5	24.2	24.3	23.2	23.2	24.4	24.0
Grade 2	25.1	24.6	24.7	23.6	23.6	24.7	24.7
Grade 3	25.4	25.1	25.1	24.1	24.1	25.1	24.9
Grade 4	26.1	25.6	25.6	24.6	24.6	25.6	25.5
Grade 5	26.1	26.1	25.7	25.1	25.1	25.8	25.7
Grade 6	26.8	26.6	26.9	25.6	25.6	27.0	26.6
Grade 7	27.0	27.2	27.2	26.2	26.2	27.3	27.4
Grade 8	27.4	27.4	27.5	26.4	26.4	27.6	27.5

There has been little fluctuation in average class sizes by grade for the past three years. However, citywide averages mask significant variation among schools and districts. In addition, average class sizes can also obscure a wide distribution of class sizes, and different class sizes based on program areas. This data is currently provided in the DOE Class Size Report, required by Local Law 125 of 2005 and available on DOE's website.¹⁶ The PMMR should include data on high school class size as well as additional performance indicators to reflect these more nuanced measures of class size, such as the number of students in classes with 30 or more students (or another appropriate threshold) and pupil-teacher ratio. Since class size is at least partially a function of school budgets, this would allow for better alignment of performance indicators and spending.

¹⁶ Local Law 125 of 2005. Retrieved from: <https://infohub.nyced.org/reports-and-policies/government/intergovernmental-affairs/class-size-reports/>.

The class size targets appear to be exactly one percentage point lower than whatever the actual class size was for the prior year. This blunt class size reduction target does not appear to reflect any real analysis of the City's ability to reduce K-8 class sizes and does not reflect a true effort to reduce class sizes with a meaningful goal. Any effort to reduce class sizes would come with a significant budget impact, as it would require hiring additional teachers.

Large class sizes can also be a result of school overcrowding. Many school buildings enroll more students than they have capacity for, and approximately half of all students go to schools that are overcrowded. The PMMR should introduce indicators to capture the reasons for overly large classes, such as the class size in schools that are over capacity. Issues related to school capacity are discussed in further detail in the Council's report to the committee on the DOE's Preliminary Capital Budget.

General Education Instruction & School Leadership

Units of appropriation 401 and 402 support the Department's budget for core school programs, including general education instruction and school leadership. General Education Instruction and School Leadership (General Education) encompass school instruction, school supervision and instructional support services. Professional development, parent coordinators, and math and literacy coaches for elementary, middle, and high schools are all categorized as part of instructional services. This U/A pair also includes funding for high school vocational, alternative, Career Education, and instruction in juvenile correction facilities. In addition, funds for summer and evening instructional programs, before and after school time, as well as extended use are included in this U/A pair.

Funding for general education and school leadership is projected to increase by \$90 million in Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget. This is the net result of \$138.9 million in additional PS spending, most of which is related to almost \$140 million in collective bargaining agreements for the UFT included in the Fiscal 2020 Preliminary Plan. The \$138.9 million increase in PS spending is offset by \$48.7 million in OTPS spending, \$40.1 million of which was accounted for in the Fiscal 2017 Preliminary Plan for various new needs related to the expansion of the Mayors Equity and Excellence for All agenda. This includes a new need of \$12.2 million for college visits, and \$11.6 million for the expansion of Algebra for All.

This area of spending accounts for \$7.7 billion, or 27.5 percent of the DOE's Fiscal 2021 expense budget. As shown in Table 9, PS spending makes up the bulk of this spending, with a budget of almost \$6.95 billion for Fiscal 2021. As seen in Table 9, most of school spending is for full-time pedagogical staff salaries. This \$6.95 billion PS budget employs 64,407 full-time general education pedagogical staff in Fiscal 2021, and 2,849 non-pedagogical staff, for a total headcount of 67,256 positions.

Table 9: UAs 401 & 402 - General Education Instruction & School Leadership

	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$5,495,815	\$5,755,575	\$5,995,615	\$5,986,241	\$6,144,789	\$149,174
Full-Time Salaried - Non-Pedagogical	150,511	153,532	153,796	153,950	155,484	1,689
Additional Gross Pay	575,819	838,098	270,954	630,743	255,419	(15,535)
Other Salaried & Unsalaried	293,649	296,004	300,384	300,520	304,019	3,635
Fringe Benefits	86,474	86,345	81,393	81,393	81,393	0
Overtime Civilian	5,228	5,814	5,623	5,623	5,623	0
Amounts to be Scheduled	33	9	0	0	0	0
PS Other	(191)	796	0	0	0	0
Subtotal	\$6,607,337	\$7,136,173	\$6,807,765	\$7,158,470	\$6,946,727	\$138,963
Other Than Personal Services						
Contractual Services	\$288,109	\$310,912	\$224,103	\$228,191	\$207,161	(\$16,943)
OTPS Other	535,819	577,178	572,695	561,664	540,900	(31,795)
Subtotal	\$823,927	\$888,090	\$796,798	\$789,855	\$748,060	(48,738)
TOTAL	\$7,431,264	\$8,024,262	\$7,604,563	\$7,948,325	\$7,694,787	\$90,225
Positions						
Full-Time Positions - Pedagogical	62,993	62,409	64,408	64,408	64,407	(1)
Full-Time Positions - Non-Pedagogical	2,883	2,809	2,847	2,849	2,849	2
TOTAL	65,876	65,218	67,255	67,257	67,256	1

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

The Fiscal 2021 Preliminary Plan identified \$20 million in savings in U/A's 401 & 402 for professional development reductions. The savings are attributed to underutilized and inefficient professional development. DOE reports no changes in required or critical professional development, and it is still unclear which professional development offerings will be reduced and how the DOE identified programs as inefficient. Additionally, the Preliminary Plan identified \$10 million in savings for staffing efficiencies in U/A 401. DOE reports that no headcount will be reduced, and that this savings is the result of school principals being encouraged to use the Absent Teacher Reserve (ATR) pool to staff substitute positions, as well as result of un-paid salary accruals for those pedagogues who started mid-year.

Special Education Instruction & School Leadership

The Special Education Instruction and School Leadership (Special Education Instruction) budget, U/As 403 and 404, supports the special education programs provided by schools. This funding provides for the direct special education instruction, school supervision, and support services for elementary, middle, and high schools in a resource room, self-contained, and collaborative team classroom setting. These U/As also include funds required for related services such as mandated speech and counseling. Almost all the funding budgeted in these U/As is allocated directly to schools. Some of it, however, supports centrally administered programs and services that support the work of schools. Examples of this include professional development courses for school staff and some student assessment tools. Special Education Instruction totals 7.7 percent of the Fiscal 2021 Preliminary Budget.

As shown in Table 10, funding for Special Education Instruction is projected to increase by \$229 million in Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget.

Table 10: UAs 403 & 404 – Special Education Instruction & School Leadership						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$1,747,284	\$1,893,903	\$1,893,636	\$1,927,908	\$2,097,635	\$203,999
Full-Time Salaried - Non-Pedagogical	292	307	481	481	490	8
Other Salaried & Unsalaried	34,991	36,123	28,065	28,065	29,024	959
Fringe Benefits	3,034	3,023	3,265	3,265	3,265	0
Additional Gross Pay	82,368	149,698	9,753	103,210	33,874	24,121
Overtime Civilian	320	407	0	0	0	0
Subtotal	\$1,868,288	\$2,083,460	\$1,935,200	\$2,062,929	\$2,164,288	\$229,088
Other Than Personal Services						
Contractual Services	\$1,517	\$1,360	\$826	\$826	\$826	\$0
OTPS Other	3,575	3,525	4,614	4,614	4,614	0
Subtotal	\$5,092	\$4,885	\$5,440	\$5,440	\$5,440	\$0
TOTAL	\$1,873,380	\$2,088,345	\$1,940,640	\$2,068,369	\$2,169,728	\$229,088
Positions						
Full-Time Positions - Pedagogical	28,580	29,133	29,346	29,346	30,540	1,194
Full-Time Positions - Non-Pedagogical	4	4	9	9	9	0
TOTAL	28,584	29,137	29,355	29,355	30,549	1,194

**The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.*

As PS is nearly all the Special Education Instruction budget it continues to drive spending through an increase of 1,194 full-time pedagogical positions. Additionally, \$53 million was added in the Fiscal 2020 Preliminary Plan for UFT Collective Bargaining. This growth in headcount is double the growth reflected in the Preliminary Fiscal 2020 Budget, which reflected a 596 increase in full-time pedagogical positions. According to the Fiscal 2020 Headcount Report, in December 2019 the DOE had a total actual staff headcount of 28,797 in U/A 403. All these positions are teaching titles.

Categorical Programs

An important component of every school's budget is the categorical aids that support student programs and services. U/As 481 and 482 provide federal and State funds that are allocated for specific purposes, as well as grants and awards from non-public agencies and institutions. Most of the funds budgeted in U/As 481 and 482 go directly to public schools, while the remaining supports contractual programs at non-public schools. Since most of the categorical aids flow into public school budgets, they are included here.

Table 11. U/As 481 & 482 – Categorical Programs						
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$32,138	\$35,901	\$32,840	\$83,741	\$80,435	\$47,595
Full-Time Salaried - Pedagogical	513,166	461,820	546,267	513,767	524,867	(21,400)
Other Salaried	48	0	2	2	2	0
Overtime - Civilian	816	687	813	813	13	0
Unsalaries	102,072	98,729	102,231	103,341	104,420	2,189
Additional Gross Pay	114,602	117,472	78,322	78,511	80,903	2,582
Additional Gross Pay - Labor Reserve	19,027	35,110	0	24,991	0	0
Other	5	25	0	0	0	0
Pensions	0	0	15	98	98	83
Fringe Benefits	7,910	5,723	10,011	10,026	10,026	14
Fringe Benefits - FICA	59,651	51,336	69,824	69,901	69,901	76
Fringe Benefits - Health Insurance	139,085	120,428	150,524	150,762	150,762	238
Fringe Benefits - SWB	15,896	13,311	21,840	21,867	21,867	28
Subtotal	\$1,004,417	\$940,541	\$1,012,689	\$1,057,821	\$1,044,093	\$31,405
Other Than Personal Services						
Supplies and Materials	\$167,340	\$187,495	\$198,002	\$211,073	\$194,990	(\$3,012)
Fixed and Misc. Charges	13,812	12,022	14,784	14,784	14,784	0
Property and Equipment	21,894	24,109	24,629	24,629	24,629	0
Other Services and Charges	177,852	173,490	134,526	134,581	139,605	5,080
Contractual Services	362,107	366,842	380,350	381,597	377,770	(2,580)
Subtotal	\$743,005	\$763,958	\$752,291	\$766,664	\$751,778	(\$512)
TOTAL	\$1,747,422	\$1,704,500	\$1,764,980	\$1,824,485	\$1,795,872	\$30,733
Funding						
City Funds			\$21,314	\$46,312	\$36,193	\$14,879
Federal - CD			259	1,696	1,696	1,437
Federal - Other			1,169,003	1,185,503	1,185,503	16,500
Intra City			9,304	25,799	9,306	2
Other Categorical			49,700	49,700	49,700	
State			515,400	515,475	513,474	(1,926)
TOTAL	\$1,747,422	\$1,704,500	\$1,764,980	\$1,824,485	\$1,795,872	\$30,892
Budgeted Headcount						
Full-Time Positions - Civilian	513	672	640	756	706	66
Full-Time Positions - Pedagogical	6,430	5,360	6,593	6,593	6,593	0
TOTAL	6,943	6,032	7,233	7,349	7,299	66

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

The Fiscal 2021 budget is \$30.9 million larger than the Adopted Fiscal 2020 budget mostly due changes in PS spending on 116 full-time civilian positions which is projected to increase by \$47 million off set by \$21.4 million in less spending on full-time pedagogical positions. Within the 116 positions, 107 positions are being added to support general education instruction at all grade levels, six positions for lead removal and three positions for accessibility improvements. However, the Fiscal 2020 Adopted Budget reflects 50 positions associated with Substance Abuse Prevention and Intervention Specialists (SAPIS) workers totaling \$2.8 million that was added at Adoption as one-time funding. The net effect of all these headcount changes is a growth of 66 positions between the Fiscal 2020 budget and the Fiscal 2021 Preliminary Plan.

The Categorical Programs budget has several increases that only effect Fiscal 2020 resulting in a budget that is \$28.6 million larger than the Fiscal 2021 Preliminary Plan budget including \$25 million

for Collective bargaining lump sums, \$16.3 million for an intra-city for the Agency Nurse Tracking System (ANTS) program and other health and environmental related programs.

Collective Bargaining

Last year's Fiscal 2020 Preliminary Plan included \$29.3 million in U/A 491 for collective bargaining costs that had yet to be scheduled within specific U/As. This funding was redistributed to the appropriate U/As and U/A 491 was eliminated in the Fiscal 2020 Executive Budget. This U/A is still not in use for the Fiscal 2021 Preliminary Budget.

Fringe Benefits

DOE, unlike other City agencies, maintains a U/A for fringe benefits, which includes social security, health insurance, payments to welfare funds, annuity contributions, workers compensation and unemployment benefits. As reflected in Table 12, the Fringe Benefits total budget is approximately \$4 billion in Fiscal 2021, an increase of \$185 million compared to the Fiscal 2020 Adopted Budget. Increased health insurance costs of \$172.5 million drive the growth. Fringe benefits are 14.3 percent of DOE's total budget for Fiscal 2021.

	FY18	FY19	FY20	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services						
Additional Gross Pay	\$183	\$71	\$75	\$75	\$75	\$0
P.S. Other	42	0	0	0	0	0
Fringe Benefits	63,224	64,032	46,889	71,841	71,133	24,244
Fringe Benefits - FICA	786,348	869,653	841,761	887,804	848,532	6,771
Fringe Benefits - Health Insurance	2,029,225	2,174,272	2,368,822	2,341,998	2,541,364	172,543
Fringe Benefits - SWB	422,939	496,578	556,462	557,659	537,698	(18,764)
TOTAL	\$3,301,960	\$3,604,606	\$3,814,007	\$3,859,376	\$3,998,801	\$184,794
Funding						
City Funds			\$2,466,995	\$2,512,364	\$2,673,836	\$206,841
Other Categorical			54,969	54,969	33,464	(21,505)
State			1,292,044	1,292,044	1,291,501	(542)
TOTAL	\$3,301,960	\$3,604,606	\$3,814,007	\$3,859,376	\$3,998,801	\$184,794

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

Citywide Special Education & Special Education Instructional Support

The Department budgets funding for Citywide Special Education Instruction and School Leadership in U/As 421 and 422. The funding in these U/As supports direct citywide special education instruction and school supervision for severely handicapped children in self-contained classrooms and home and hospital instruction, as well as instructional support services and related services. This area of the Department's budget includes funding for District 75 schools, which provide educational, vocational, and behavior support programs for students who are on the autism spectrum, have significant cognitive delays, are severely emotionally challenged, are sensory impaired, or are multiply disabled. DOE does not use FSF to budget for District 75 schools; instead DOE uses a cost of service method based on students' needs to fund these schools. U/As 423 and 424, Special Education Instructional Support, contain funds for centrally managed special education related services such as occupational therapy, physical therapy, and nurses. The DOE uses both

employees and contractual providers to deliver mandated services to students. Funding budgeted in these U/As also pays for evaluations of students performed by school-based support teams.

Table 13: Citywide Special Education & Special Education Instructional Support

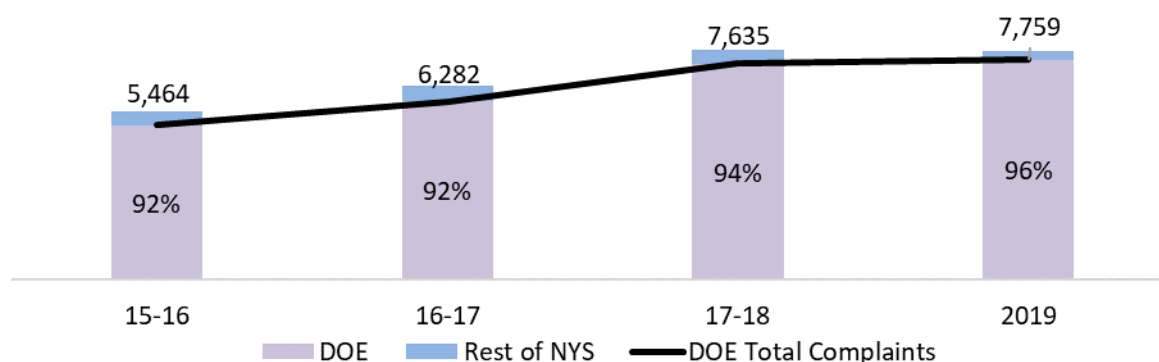
<i>Dollars in Thousands</i>	2018	2019	2020	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2020	2021	2020-2021
Citywide SE- UAs 421 & 422						
Personal Services						
Full-Time Salaried - Pedagogical	\$900,423	\$1,021,365	\$990,485	\$990,485	\$1,040,698	\$50,214
Full-Time Salaried - Non-Pedagogical	70,655	75,354	72,267	72,267	74,325	2,059
Other Salaried & Unsalaries	51,262	62,123	50,725	50,725	52,293	1,569
Fringe Benefits	371	387	216	216	216	0
Additional Gross Pay	90,475	140,689	42,517	106,938	51,852	9,335
Overtime Civilian	1,552	1,784	1,300	1,300	1,300	0
PS Other	1	1	0	0	0	0
Subtotal PS	\$1,114,739	\$1,301,704	\$1,157,509	\$1,221,930	\$1,220,684	\$63,176
Other Than Personal Services						
Contractual Services	\$3,159	\$4,082	\$4,174	\$4,174	\$4,174	\$0
OTPS Other	14,648	17,439	19,783	19,783	20,259	476
Subtotal OTPS	\$17,806	\$21,521	\$23,956	\$23,956	\$24,432	\$476
Subtotal Citywide SE	\$1,132,545	\$1,323,225	\$1,181,465	\$1,245,886	\$1,245,117	\$63,652
SE Instructional Support - UAs 423 & 424						
Personal Services						
Full-Time Salaried - Pedagogical	\$107,104	\$115,232	\$167,532	\$167,532	\$170,409	\$2,877
Full-Time Salaried - Non-Pedagogical	154,406	166,022	143,668	143,668	158,926	15,258
Other Salaried & Unsalaries	33,878	33,656	32,284	32,284	32,679	396
Fringe Benefits	640	683	450	450	450	0
Additional Gross Pay	29,493	46,032	16,074	32,436	16,078	4
Overtime Civilian	4,755	6,134	183	183	183	0
Subtotal PS	\$330,276	\$367,760	\$360,190	\$376,552	\$378,726	\$18,536
Other Than Personal Services						
Contractual Services	\$279,718	\$256,826	\$256,986	\$255,406	\$268,567	\$11,581
OTPS Other	14,008	21,988	25,052	26,632	26,650	1,598
Subtotal OTPS	\$293,727	\$278,814	\$282,038	\$282,038	\$295,217	\$13,179
Subtotal SE Instructional Support	\$624,003	\$646,574	\$642,228	\$658,590	\$673,942	\$31,714
TOTAL CW SE & SE INSTR. SUPPORT	\$1,756,548	\$1,969,798	\$1,823,693	\$1,904,476	\$1,919,059	\$95,366
Positions						
Full-Time Positions - Pedagogical	15,555	16,411	13,456	13,456	13,877	421
Full-Time Positions - Non-Pedagogical	3,281	3,314	2,915	2,915	3,096	181
TOTAL	18,836	19,725	16,371	16,371	16,973	602

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

As reflected in Table 13 the special education budget is projected to be \$1.9 billion, or seven percent of DOE's Fiscal 2021 Budget. Of the \$1.9 billion, \$1.6 billion supports the staff that provides services and direct instruction of students and \$320 million is related to OTPS expenses. Spending for contracted related services makes up 85 percent of the total OTPS budget, or \$272.8 million. The total special education budget is projected to increase by \$95 million when compared to the Fiscal 2020 Adopted Budget. Most of this increase was reflected in previous Financial Plans and is attributed mainly to incremental adjustments for collective bargaining agreements. Of the \$95 million change, \$29.4 million was included in the Fiscal 2020 Preliminary Budget for UFT collective bargaining. No increase to these U/As was made in the Fiscal 2021 Preliminary Financial Plan. Headcount increases by 602 positions in Fiscal 2021, compared to the Fiscal 2020 Adopted Budget. This increase in headcount was scheduled in the Fiscal 2018 Preliminary Budget for outyear growth.

As mentioned in the Financial Plan Summary, the Department has not introduced new funding or headcount to support compliance with the State's Corrective Action Plan for special education. One of the largest areas of concern continues to be an increase in due process complaints and a disparity between the number of outstanding cases and the number of impartial hearing officers. Parents of students with disabilities have a legal right to file a due process complaint against the DOE if they have any disagreement regarding the referral, evaluation, classification, or placement of their child or the provision of special education services.¹⁷ In the 2019 Compliance Assurance Plan, the Department reported that it had 7,448 open due process complaints for the 2018-2019 school year, an increase of 304 when compared to the 2017-2018 school year.¹⁸ As depicted in Figure 9, the total number of due process hearing complaints against DOE is drastically larger than the number of cases in other parts of the State. Additionally, the DOE has shared internally that there are approximately 9,670 open due process complaints for the 2019-2020 school year, although an updated Compliance Assurance Plan has yet to be released.

Figure 9. Percent of Total Hearing Complaints Filed in NYC and New York State



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In the Fiscal 2020 Executive Financial Plan the Department included a new need of \$33.4 million in Fiscal 2021 and in the outyears for special education investments, which included funding to support 44 attorneys to help reduce caseloads, as well as funding for improvement of the impartial hearing data management system. Although the number of open cases keeps rising year to year, the Department has not made any additional investments to address this increase, nor have they included any additional funding to support the pay increase of special education impartial hearing attorneys, which is expected to be implemented in April 2020. Additionally, the Department has not identified any new investments in the Fiscal 2021 Preliminary Financial Plan to support the expansion of Special Education instruction and related services. The Department continues its advocacy for an increase in State aid, which in turn would allow them to invest additional resources into special education, as well as expedite the review and settlement of due process complaints.

Table 14 shows that the number of students receiving special education services has increased, which corresponds with the increased budget for citywide special education services. The table also

¹⁷ Department of Education. Retrieved here: <https://www.schools.nyc.gov/docs/default-source/default-document-library/impartial-hearing-request-english>

¹⁸ Department of Education. Retrieved here: <https://www.documentcloud.org/documents/6025929-NYCDOE-Compliance-Assurance-Plan-May-2019.html>

¹⁹ Id

shows the increase of school-aged students, both in public and private schools, who are enrolled in special education.

Table 14. FY20 PMMR - Special Education Enrollment							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Special education enrollment: School-age	260,482	265,769	270,358	*	*	269,539	274,071
- Public school	212,121	216,105	218,384	*	*	217,593	220,028
- Non-public school	48,361	49,664	51,974	*	*	51,946	54,043

The PMMR provides further details on the number of students recommended for special education, which has decreased slightly as of 2018, and those no longer in need of special education services, which has also decreased slightly. Additionally, the PMMR reflects the percent of students progressing into a higher level of English Language Arts and Math, of which only Math has increased. These indicators are shown in table 15.

Table 15. FY20 PMMR Special Education Services and Outcomes							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Students receiving special education services (preliminary unaudited)	292,065	297,314	301,860	*	*	293,068	298,180
Students recommended for special education	29,410	29,899	29,284	*	*	4,050	4,435
Students no longer in need of special education	7,276	7,238	7,303	*	*	2,540	2,577
Students in special education scoring below standards progressing into a higher level							
English Language Arts	23.6%	26.1%	22.5%	28.1%	28.1%	NA	NA
Math	14.3%	14.8%	17.2%	16.8%	16.8%	NA	NA

Pursuant to Local Law 27 of 2015, as amended by Local Law 183 of 2017 and Local Law 89 of 2018, the DOE reports additional information regarding students receiving special education services. According to the report, the percentage of students receiving their recommended special education programs increased from 78.4 percent to 84.3 percent in the 2018-19 school year.²⁰

Related Services

As mentioned above, spending on related services is contained in the Special Education U/As, as well as the Special Education Instruction U/As. The Department's budgeted spending on related services is shown in table 16. Related Services can be provided by either DOE employees, reflected in the PS spending, or by contracted providers, reflected in the OTPS spending. Changes in the related service spending include collective bargaining adjustments made in the previous financial plans, including \$11.5 million in the Fiscal 2020 Preliminary Plan and \$3.3 million in the Fiscal 2020 Executive Budget for UFT. While the Preliminary Budget accounts for a \$52 million increase for Related Services, planned spending in Fiscal 2020 and 2021 continues to be significantly lower than actual spending in Fiscal 2017 through Fiscal 2019. It is unclear why budgeted spending for related services is consistently lower than actual spending, although it may correlate with an increase in the

²⁰ Local Law 27 of 2015. "Annual Special Education Data Report – School Year 2017-18," retrieved here: <https://infohub.nyced.org/reports-and-policies/government/intergovernmental-affairs/special-education-reports>.

number of students receiving special education services. It is also unclear if additional funding to support related services will be included in the Fiscal 2021 Executive Financial Plan.

Table 16: DOE Related Services Spending (U/As 403, 404, 421, 422, 423, & 424)						
	FY18	FY19	FY20	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Personal Services	\$1,288,309	\$1,385,262	\$1,029,487	\$1,029,437	\$1,074,767	\$45,280
OTPS	287,858	228,165	252,969	252,969	260,168	7,198
TOTAL	\$1,576,167	\$1,613,426	\$1,282,456	\$1,282,406	\$1,334,935	\$52,479

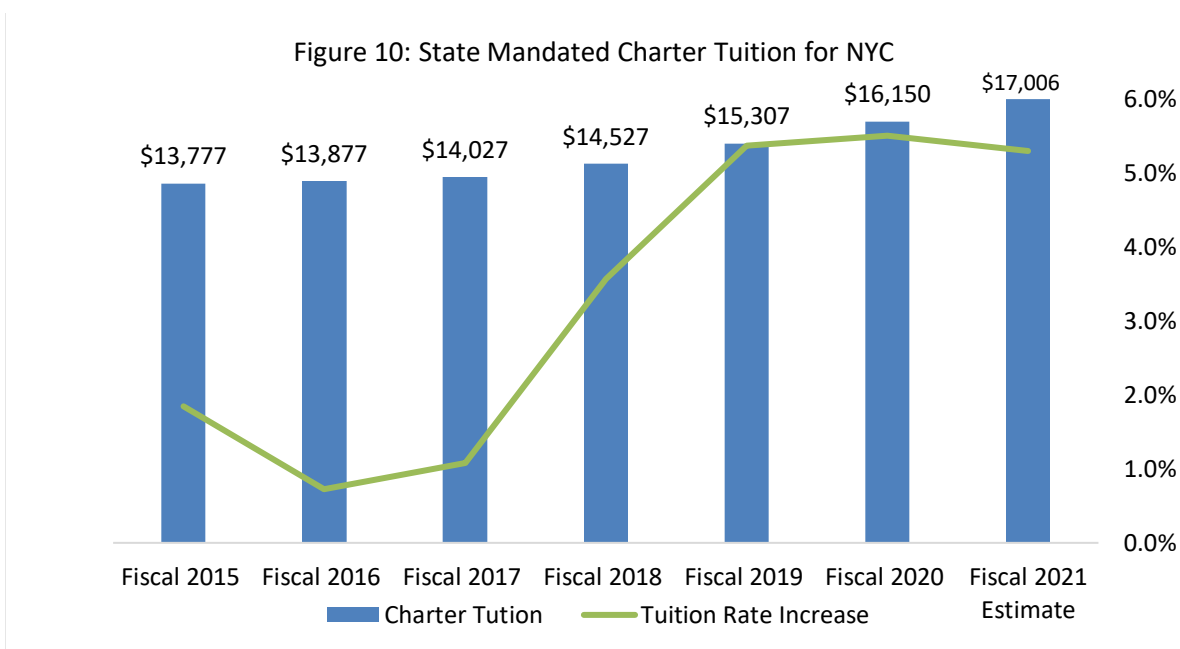
**The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Preliminary Budget.*

Charter Schools

Charter schools are privately operated schools that run under a public charter issued by the DOE, the State Education Department, or the State University of New York. They are considered public schools and are funded through DOE's expense budget. As required by a Fiscal 2020 Adopted Budget Term and Condition, the Department provides semi-annual reports to the Council on charter schools. According to the most recent report, as of December 2019, there were 260 charter schools located in New York City, and five charter schools outside of the City that serve City residents, for a total of 265 charter schools serving City students. According to the Term and Condition, charter schools enroll 126,867 students of which, 17 percent are enrolled in special education and eight percent are English language learners (ELLs). Students enrolled in charter schools represent just over 11 percent of all New York City public school students.

Charter schools are primarily publicly funded through the DOE. The DOE pays each charter school on a per pupil basis based on enrollment. The New York State Education Department sets the per pupil rate based on a formula that is meant to mirror the per-pupil spending by the DOE on district schools. The Fiscal 2020 rate is \$16,150 an \$843 increase from the Fiscal 2019 rate as shown in Figure 10 below.²¹ Based on OMB's estimates, pursuant to Education Law section 2856(1)(a), this rate will increase by \$856 in Fiscal 2021, for a total of \$17,006. The chart below provides historical data on the State's charter school tuition rate for DOE. For special education students, the DOE must pay the tuition rate plus a supplemental rate that varies depending on the type of disability in order to cover the additional expenses related to providing special education services to students.

²¹ New York State Education Department, "2019-20 Charter School Basic Tuition and Supplemental Basic Tuition." Retrieved here: https://stateaid.nysed.gov/charter/html_docs/charter_1920_rates.htm.

**Table 17. U/A 406 - Charter Schools**

	FY18	FY19	FY20	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Other Than Personal Services						
Supplies and Materials	\$1,592	\$1,733	\$1,775	\$1,960	\$1,960	\$184
Property and Equipment	6,682	6,624	7,645	8,438	8,438	793
Other Services and Charges	5,756	5,824	5,631	5,631	5,631	0
Contractual Services	1,866,710	2,094,967	2,281,008	2,281,008	2,372,601	91,593
TOTAL	\$1,880,740	\$2,109,148	\$2,296,060	\$2,297,037	\$2,388,630	\$92,570
Funding						
City Funds			\$1,038,893	\$1,039,612	\$1,039,612	\$720
State			1,250,667	1,250,924	1,342,517	91,850
Federal – Other			6,500	6,500	6,500	0
TOTAL	\$1,880,740	\$2,109,148	\$2,296,060	\$2,297,037	\$2,388,630	\$92,570

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

As reflected in table 17, City spending on charter schools is projected to be \$2.4 billion in Fiscal 2021, a \$92.6 million increase when compared to the Fiscal 2020 Adopted Budget due mostly to \$73.5 million of out-year growth budgeted in the Fiscal 2018 Preliminary Plan. In total, charter school costs represent 8.5 percent of the DOE's budget. Funding for charter schools from DOE includes the per-pupil tuition for all enrolled students, supplementary funding for students with special needs, and facilities payments. Budgeted facilities payments are budgeted at \$68.7 million as of the Fiscal 2020 Adopted budget and remain at that level through the Financial Plan even though actual spending reached \$86.2 million in Fiscal 2019. The charter school budget reflects the costs of growth in the charter school population at existing charter schools that are expanding grades and DOE's best estimate of the increased charter school population at charter schools that will open for the 2020-21 school year. This increase does not include the effects of the \$843 increase in per pupil charter tuition, or 5.3 percent, increase in per pupil charter tuition rates, totaling \$150 million, nor does it

include the effects of reopening closed charter schools under the proposed State Executive Budget, totaling an additional \$150 million.

The Council requires reporting by DOE on leases provided to Charter Schools through a Term and Condition report. The Fiscal 2020 Term and Condition reports indicated that the total cost of leases for charter schools stands at \$128 million for 136 leases. This comes out to an average cost per lease of \$941,034 or 6 percent of the Charter Schools budget with eight of these charter leases surpass \$2 million. The most expensive leases on a per student basis reach well over \$5,000 a student increasing the impact of charter spending at these locations to 30 percent above the charter tuition rate on this factor alone. DOE is required to provide space to charter schools where available in DOE buildings and pay for leased space if a suitable one can't be found. These lease costs are in addition to charter tuition paid to all schools.

Universal Pre-Kindergarten

The Department's spending relate to Universal Pre-K (UPK) is budgeted through U/A's 407 and 408. DOE offers free full-day preschool to all four-year old's in New York City. UPK is currently offered to students in one of the following four settings: 1) DOE pre-K Centers; programs exclusively for pre-K students led and operated by the DOE; 2) DOE District Schools: programs located within public elementary schools and overseen by the school's principal; 3) NYC Early Education Centers (NYCEEC), which are community-based organizations that contract with the DOE to provide pre-K; and 4) Charter Schools: programs that operate under state-authorized charter.²² The Department also includes spending related to the continued expansion of 3-K in these U/As. Similar to pre-K, the Department offers 3-K programs free of charge to parents in the following four setting: 1. NYCEEC's 2. DOE District Schools 3. pre-K Centers and 4. Family Child Care or home-based programs.²³

²² NYC Department of Education, *Pre-Kindergarten*. <http://schools.nyc.gov/ChoicesEnrollment/PreK/default.htm>

²³ <https://www.schools.nyc.gov/enrollment/enroll-grade-by-grade/3k>

Table 18: UAs 407 & 408 –Universal Pre-Kindergarten						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$324,556	\$375,995	\$362,763	\$360,473	\$398,895	\$36,132
Full-Time Salaried - Non-Pedagogical	14,018	14,490	31,414	31,414	32,367	953
Other Salaried & Unsalaries	14,158	17,713	835	835	1,244	409
Fringe Benefits	120,906	126,850	123,877	123,881	134,934	11,058
Additional Gross Pay	16,391	32,357	1,109	20,490	1,304	195
Overtime Civilian	175	226	0	0	0	0
PS Other	1	0	0	0	0	0
Subtotal	\$490,204	\$567,632	\$519,997	\$537,093	\$568,744	\$48,747
Other Than Personal Services						
Contractual Services	\$324,267	\$352,937	\$430,899	\$439,424	\$510,188	\$79,290
Other Services & Charges	73,752	71,409	21,358	21,438	21,358	0
Property & Equipment	1,010	1,316	8,841	11,130	7,421	(1,419)
Supplies & Materials	10,757	12,841	14,748	14,803	13,888	(860)
Subtotal	\$409,787	\$438,502	\$475,845	\$486,794	\$552,855	\$77,010
TOTAL	\$899,990	\$1,006,134	\$995,842	\$1,023,888	\$1,121,599	\$125,757
Positions						
Full-Time Positions - Pedagogical	4,678	5,210	6,020	6,020	6,370	350
Full-Time Positions - Non-Pedagogical	192	212	206	206	219	13
TOTAL	4,870	5,422	6,226	6,226	6,589	363

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

Table 18 reflects spending on UPK with associated headcount. As shown in the Table, spending in this area is almost split evenly between PS and OTPS as approximately half of pre-K seats are contracted out to community-based providers.

Spending on UPK is expected to increase by an estimated \$125.8 million in Fiscal 2021. Most of this growth in spending has been accounted for in previous Financial Plans, including almost \$10.1 million associated with collective bargaining agreements, and \$55.7 million associated with the continued expansion of 3-K. The growth of 363 positions was also completely accounted for in previous Financial Plans, and is associated with the expansion of 3-K. According to the Fiscal 2020 Headcount Report, as of November 2019 the DOE had an actual headcount of 6,077 positions in U/A 407.

In February 2020, the Mayor and Chancellor announced an accelerated expansion of 3-K, which funding is yet to be included in DOE's budget. While the 2020-2021 school year originally saw an expansion of 3-K to two additional Community School Districts, the Administration announced that it plans to expand 3-K to Districts 1 and 14, and serve a total of 26,000 students Citywide.²⁴ The sixteen 3-K for All districts are listed in Table 19, including the year of rollout. Districts were chosen based on economic need (the 10 districts with the highest portion of students eligible for free and reduced-price lunch are included); geographic diversity; and capacity. Currently 3-K for All is supported by City funds only. Enrollment for the current school year is included, which DOE provides pursuant to a Fiscal 2019 Term and Condition.

Table 19. 3-K Program			
First year of 3-K	Community School District	Borough	2018-19 enrollment
2017-18	7	BX	1,098
	23	BK	848
2018-19	4	MN	668
	5	MN	630
	16	BK	536
	27	Q	1,311
2019-20	6	MN	n/a
	8	BX	n/a
	9	BX	n/a
	19	BK	n/a
	31	SI	n/a
	32	BK	n/a
2020-21	1	MN	n/a
	12	BX	n/a
	14	BK	n/a
	29	Q	n/a

The November 2019 Financial Plan also made collective bargaining adjustments to U/A 407, the largest of which is a part of the early childhood education parity deal. This increases the Fiscal 2021 UPK budget by \$26.8 million. As previously mentioned, the Preliminary Plan included a revenue adjustment for a State UPK grant of \$3.1 million.

As shown in table 20, the PMMR indicates that pre-K enrollment decreased slightly from Fiscal 2017 to Fiscal 2018, after which it has remained steady. As of October 31, 2019, DOE reported 66,854 students enrolled in full-day UPK.²⁵ Of the 66,854 students, 30,313 or 45 percent, were enrolled in a DOE pre-K center or district public school. The remaining 55 percent, 36,541 students, were enrolled in a non- DOE early education center. Additionally, 2,044 students were enrolled in half day programs.

Table 20: Full Day Pre-Kindergarten Enrollment

Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Full-day pre-K enrollment	69,510	67,881	67,886	*	*	1,135	1,126

Source: Fiscal 2020 Preliminary Mayor's Management Report

The PMMR does not currently include information about 3-K enrollment. According to a Fiscal 2019 Term and Condition, 3-K enrollment in the current school year totals 5,091 students, as reflected in table 20. The PMMR should include indicators that reflect the number of pre-K and 3-K students by

²⁴The Office of the Mayor. Retrieved from: <https://www1.nyc.gov/office-of-the-mayor/news/063-20/state-the-city2020-mayor-de-blasio-chancellor-carranza-accelerated-expansion-of>

²⁵

UPK Enrollment Term and Condition Fiscal 2020. Retrieved from: <https://council.nyc.gov/budget/fy2020/>

setting, as well as include the average cost per pupil enrolled in these programs. The PMMR should also report the total number of three and four year old children residing in New York City.

Early Childhood Programs

In 2017 the Administration announced the planned transfer of the birth-to-five childcare system, including EarlyLearn, from ACS to DOE. As of Fiscal 2020, the transfer of the birth-to-five childcare system was completed. The Department budgets funding for early childhood programs through U/As 409 and 410. As shown in table 21, the total spending related to early childhood programs decreased by \$31 million in Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget. Almost the entirety of this decrease is related to OTPS and is a result of a decrease in federal funding for Head Start. Prior to the transfer of the EarlyLearn system, the City had 67 delegate agencies providing City-contracted Head Start services. In 2018, the Department applied to serve as the Head Start super grantee for the City and was awarded a five-year grant that began in July 2019. As the current Head Start grantee, DOE applied for a \$140 million grant, but was awarded \$67 million for the 2020-2021 school year. As a result, this reduction in federal Head Start funding is reflected within this U/A. DOE is to use this funding to fund 56 agencies, as 11 delegate agencies will contract with the Office of Head Start (OHS) directly.

Table 21: U/As 409 & 410 – Early Childhood Programs						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Personal Services						
Full-Time Salaried - Pedagogical	\$5,526	\$47,735	\$71,213	\$71,213	\$70,512	(\$701)
Full-Time Salaried - Non-Pedagogical	1,968	7,007	12,000	12,979	12,756	756
Fringe	0	0	0	111	0	0
Other Salaried & Unsalaries	0	0	93	93	178	84
Additional Gross Pay	228	7,528	4,413	7,247	4,445	32
Overtime Civilian	11	77	0	0	0	0
Subtotal	\$7,733	\$62,347	\$87,720	\$91,644	\$87,891	\$171
Other Than Personal Services						
Contractual Services	\$55	\$330	\$4,850	\$9,878	\$3,346	(\$1,504)
Professional Services	805	2,239	2,090	2,385	2,090	0
Social Services	0	0	471,943	480,758	444,643	(27,300)
Fixed & Misc. Charges	0	0	4,897	4,897	4,897	0
Other Services & Charges	1,868	3,301	8,268	8,333	8,268	0
Property & Equipment	202	5,061	135	135	135	0
Supplies & Materials	246	11,044	10,852	10,857	8,102	(2,750)
Subtotal	\$3,176	\$21,975	\$503,034	\$517,243	\$471,480	(\$31,554)
TOTAL	\$10,910	\$84,322	\$590,754	\$608,888	\$559,371	(\$31,383)
Full-time Positions						
Pedagogical	58	470	674	674	674	0
Non-Pedagogical	28	89	157	166	163	6
TOTAL	86	559	831	840	837	6

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

On March 5, 2019, DOE released Request for Proposals (RFPs) for early childhood education services beginning in Fiscal 2021. DOE originally expected to award contracts in fall 2019 for services beginning in July 2020. However, due to the large volume of proposals submitted, the Department extended the RFP and will announce the awards in July 2020, with services beginning in July 2021.

The Family Child Care RFP has been awarded as of February 2020. All other EarlyLearn contracts will remain intact and will receive a contract extension until July 2021.

The cuts in federal Head Start funding, as well as the delay of the Early Childhood Education RFP's continue to be areas of concern for the Council, as they threaten the continuity of the City's childcare sites. As demonstrated in the table above, the majority of funding for the birth-to-five system flows through contracted providers, who make up over half of the childcare system. A slash in funding could prove detrimental to the City's current childcare structure. Additionally, this U/A includes \$5.8 million in funding for the Council's Discretionary Child Care initiative which supports 8 community-based childcare providers. This funding was previously reflected in ACS's budget.

School Support Organizations

Funding budgeted for School Support Organizations enables the DOE to provide field-based administrative and operational support to schools. This allocation also supports executive superintendents, community district education councils, family engagement staff, student placement offices, and the five borough offices that provide business, special education, and operational support to schools.

As reflected in table 22, funding for school support is budgeted to decrease by \$2.9 million in Fiscal 2021, while there is an increase in headcount of seven in Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget. One pedagogical head is associated with a superintendent for YMI added in the November plan and the six additional civilian heads are for operations staff and have been in Financial Plan for Fiscal 2021 since it added to the plan. The \$2.9 million decrease is due to downward adjustments of \$2.5 million for professional development and \$6 million in staffing efficiencies introduced in the Fiscal 2021 Preliminary Plan that take effect in Fiscal 2021 and for the outyears.

Table 22. U/As 415 & 416 - School Support						
	FY18	FY19	FY20	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$100,664	\$105,886	\$97,956	\$98,126	\$94,229	(\$3,726)
Full-Time Salaried - Pedagogical	174,474	162,697	187,726	187,801	189,191	1,465
Other Salaried	144	109	6	6	8	1
Overtime - Civilian	1,109	1,246	1,039	1,039	1,038	(1)
Unsalaries	2,819	2,404	3,973	3,985	4,027	54
Additional Gross Pay	19,038	18,228	15,248	15,248	13,514	(1,733)
Additional Gross Pay - Labor Reserve	10,558	13,351	0	8,349	0	0
Subtotal	\$308,830	\$303,942	\$305,947	\$314,553	\$302,007	(\$3,940)
Other Than Personal Services						
Supplies and Materials	\$4,241	\$4,506	\$7,044	\$7,069	\$6,347	(\$698)
Fixed and Misc. Charges	59	49	0	0	0	0
Property and Equipment	1,017	2,379	1,649	1,649	1,549	(100)
Other Services and Charges	7,396	10,731	2,518	2,518	2,147	(371)
Contractual Services	19,346	18,485	20,523	25,098	22,729	2,207
Subtotal	\$32,058	\$36,149	\$31,734	\$36,334	\$32,772	\$1,038
TOTAL	\$340,888	\$340,091	\$337,681	\$350,887	\$334,780	(\$2,901)
Funding						
City Funds			\$222,668	\$232,874	\$216,767	(\$5,901)

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
State			115,013	118,013	118,013	3,000
TOTAL	\$340,888	\$340,091	\$337,681	\$350,887	\$334,780	(\$2,901)
Budgeted Headcount						
Full-Time Positions – Civilian	1,370	1,459	1,259	1,259	1,265	6
Full-Time Positions – Pedagogical	1,515	1,298	1,452	1,453	1,453	1
TOTAL	2,885	2,757	2,711	2,712	2,718	7

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

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Special Education Pre-Kindergarten

The DOE provides special education instructional services and related therapeutic services to pre-Kindergarten aged children through contracts with non-public schools and private providers. The DOE also provides door-to-door bus transportation for these children, which is budgeted within this U/A. As shown in table 23, Special Education Pre-Kindergarten is comprised of three service areas: tuition, professional direct education services, and transportation. The total projected budget for Special Education Pre-K in Fiscal 2021 is \$864.7 million, or three percent of the Departments total proposed budget. Tuition is the largest spending area and totals \$452.8 million in Fiscal 2021. Professional services, continue to be budgeted at \$299.6 million, while the remaining \$112.3 million is budgeted for special education pre-K pupil transportation. Approximately two thirds of special education pre-K spending is reimbursed by the State. In the January 2020 Preliminary Revenue Financial Plan Detail, the Department budgets \$533 million in State reimbursements for preschool special education.²⁶ Overall, the growth in this U/A is \$17.5 million when compared to the Fiscal 2020 Adopted Budget. The changes in spending were reflected in previous financial plans; no adjustments to this U/A are made in the Preliminary Budget.

Table 23: U/A 470 - Special Education Pre-Kindergarten						
<i>Dollars in Thousands</i>	2018	2019	2020	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2020	2021	2020-2021
Other Than Personal Services						
Tuition	\$436,932	\$441,722	\$442,482	\$442,482	\$452,833	\$10,351
Professional Services	213,212	195,517	299,607	299,607	299,607	0
Pupil Transportation	93,515	97,139	105,073	105,073	112,266	7,193
TOTAL	\$743,659	\$734,378	\$847,163	\$847,163	\$864,706	\$17,543

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

The gap between the number of available special education pre-K seats and the estimated need, continue to be a large area of concern. According to Advocates for Children, based on data provided by the New York State Education Department, there are between 1,028 and 1,932 too few preschool seats in New York City to accommodate all of the children who are awaiting special education instruction and related services.²⁷ Figure 11 shows the estimated number of additional seats needed in preschool special education settings across the city, as estimated by Advocates for Children.²⁸

²⁶ HYPERLINK "<https://www1.nyc.gov/assets/omb/downloads/pdf/jan20-rfpd.pdf>" <https://www1.nyc.gov/assets/omb/downloads/pdf/jan20-rfpd.pdf>

²⁷ Advocates for Children. "Waiting for a Seat." Retrieved from: https://www.advocatesforchildren.org/sites/default/files/library/waiting_for_a_seat.pdf?pt=1

²⁸ Id

While the DOE does provide regional seat need maps for pre-K special education based on classroom setting type, it does not provide concrete information on the actual number of seats needed.²⁹ The map depicted below is an estimate of seat need based on the regional need maps provided by the DOE.

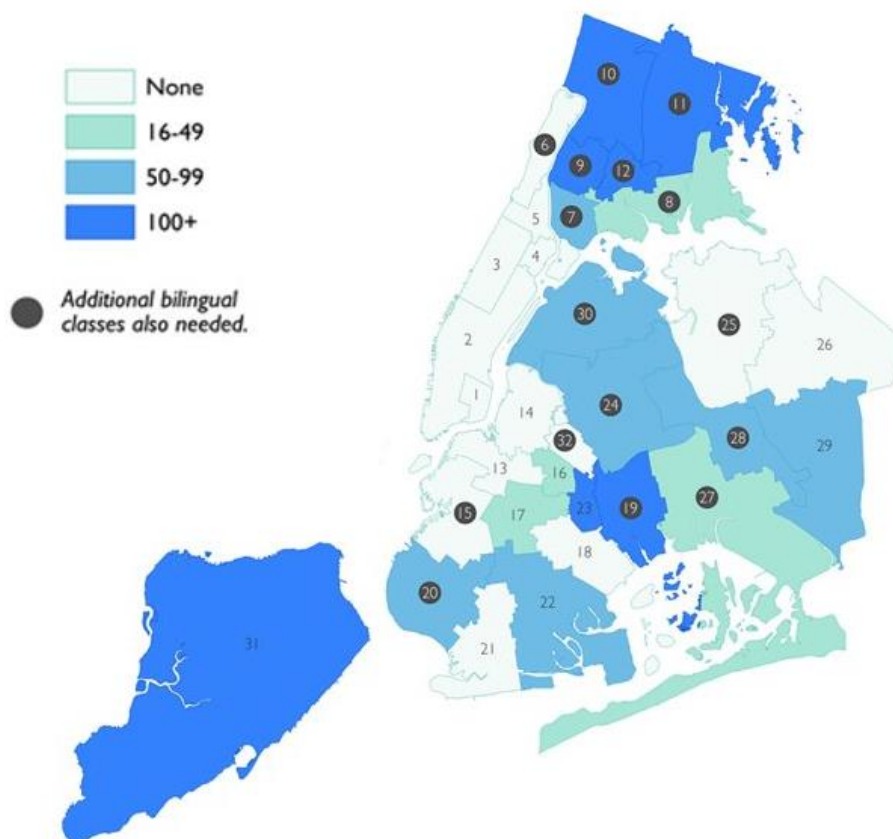


Figure 11. Estimated Number of Seats Needed in Special Education Preschool Classrooms (Spring 2020)

According to Local Law 27 of 2016, which requires the DOE to report on special education services, approximately 84.3 percent of all students with disabilities received their recommended special education program in the 2018-2019 school year.³⁰ Additionally, while the Department reports the percentage of students not served dropped from 2.5 percent to 1.9 percent, this still means approximately 3,496 students did not receive the services and instruction they are legally entitled to.³¹ According to this report, there were approximately 197,880 students with IEP's in the 2018-2019 school year. Of note, this report does not include the number of students with disabilities enrolled in pre-K or the number of students in pre-K waiting for a seat.

Another pressing issue related to special education pre-K is that of a critical need to increase the State reimbursement rate for State approved special education pre-K programs referred to as

²⁹Department of Education. "Regional Seat Maps." Retrieved from: https://infohub.nyced.org/docs/default-source/default-document-library/final_6smap.pdf

³⁰ LOCAL LAW 27

³¹ LL 27

4410s, pursuant to section 4410 of the New York Education Law.³² For several reasons many private pre-schools have closed or are no longer part of the special education pre-K system, thus further perpetuating the seat shortfall. DOE reports that an estimated 30 special education 4410 programs have closed across the City, creating a shortage. This shortage of programs can be partially attributed to the fact that the New York State Education Department, which sets the rate of reimbursement for these programs, and has not increased the rate since the 2016 cost of living adjustments. Additionally, the Fiscal 2020 early childhood education pay parity adjustments were not extended to special education pre-K staff. While DOE is working to open more special education pre-K classrooms, the cost of DOE providing these programs is significantly higher than the current rate of reimbursement set by the State.

The PMMR provides enrollment information for pre-K special education, broken down by private or public school setting. As shown in table 24, most special education pre-K students are served in non-public school settings. The number of special education pre-school students enrolled in public school settings continues to slightly increased, whereas the number of students enrolled in private settings is slowly decreasing.

Table 24. FY20 PMMR Pre-K Special Education Enrollment							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY20	FY21
Special education enrollment: Pre-school	31,583	31,545	31,502	*	*	23,529	24,109
- Public school	2,524	2,812	3,699	*	*	2,425	3,317
- Non-public school	29,509	28,733	27,803	*	*	21,104	20,792

Contract Schools, Carter Cases and Foster Care

The United States Individuals with Disabilities Education Act (IDEA) grants all children with disabilities the right to a Free Appropriate Public Education (FAPE). As a part of this FAPE, students with disabilities are entitled to receive specialized instruction, related supports, or a combination of both. In order to be placed in a specialized program and to receive related support services, a child must be first evaluated, after which the child will receive an Individualized Education Program (IEP). Parents of children who feel that the DOE has not appropriately placed their child or has not offered adequate service and instruction to the child, as mandated by the child's IEP, have a right to place their child in a private school and file a lawsuit against the DOE for failing to provide their children with a Free Appropriate Public Education (FAPE). If it is ruled that the DOE was unable to provide a student with the instruction and services as outlined in the students' IEP, the DOE must reimburse the parents of these children for the total cost of tuition at the corresponding private school.

When the City is unable to provide a student with an adequate placement or the offer the student the required services as defined per the student's IEP, the DOE may place a student in a State-approved non-public school. Contract schools are private schools authorized by the State to provide special education instruction and related services to children with conditions or disabilities whose needs exceed what is offered by the programs and related services that exist in the City's public schools. The DOE budgets its funding for contract schools and Carter Cases through U/A 472. This program area also includes funding to pay for the schooling of foster care children who are placed

³² <https://codes.findlaw.com/ny/education-law/edn-sect-4410.html>

outside the New York City school district. Finally, funding for the instruction of deaf and blind students is also budgeted through this U/A. Table 25 outlines the costs of these program areas as funded through U/A 472.

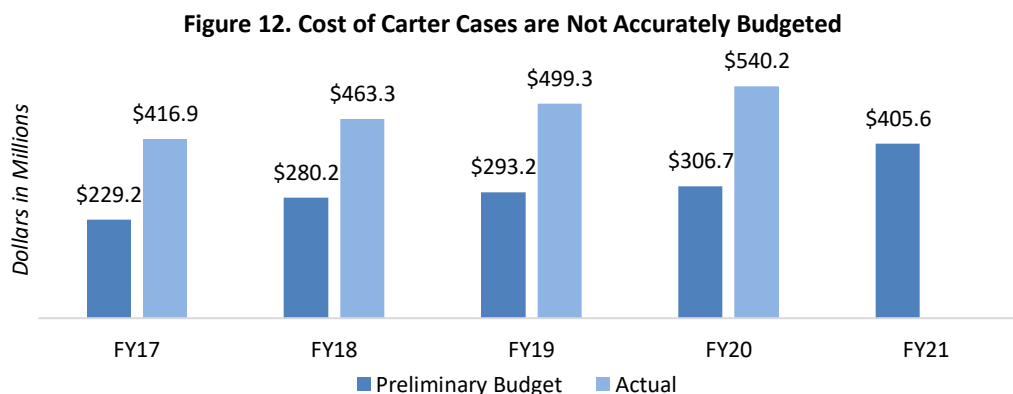
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Other Than Personal Services						
In State Contract Schools	\$273,177	\$285,708	\$324,660	\$324,660	\$331,051	\$6,391
Out-of State Contract Schools	34,002	32,260	32,700	32,700	33,354	654
Carter Cases	393,337	499,255	390,241	540,241	405,576	15,335
Foster Care Non-resident Tuition	15,272	17,783	17,805	17,805	17,805	0
Blind & Deaf Schools	125,773	59,462	59,000	59,000	59,000	0
TL Match for Chp 683	17,418	17,393	17,509	17,509	17,509	0
TOTAL	\$858,979	\$911,860	\$841,916	\$991,916	\$864,295	\$22,380

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

The Fiscal 2021 Preliminary Budget for U/A 472 is \$864.3 million, an increase of \$22.4 million when compared to the Fiscal 2020 Adopted Budget. Of the \$22.4 million increase, \$15.3 million is the result of increased spending for Carter Cases. The remaining \$7 million is associated with an increase in spending for both in State and out of state contract schools. As shown above, Carter Cases and contract schools have accounted for most of the increased spending within U/A 472 since Fiscal 2018.

The Fiscal 2021 Preliminary Plan added \$150 million for Carter Cases in Fiscal 2020 only, bringing the total Fiscal 2020 budget for Carter Cases up to \$540.2 million, or 38.4 percent more than the budget for Carter Cases in the Fiscal 2021 Preliminary Budget. While the Preliminary Budget reflects a \$134.6 million decline in spending on Carter Cases in Fiscal 2021 compared to year-to-date spending in Fiscal 2020, this does not accurately reflect expected spending. DOE contends that it is hard to accurately budget for Carter Cases in the outyears as payments span many years once a case is settled, and the agency's continued efforts to place students in public school settings that meet their needs to reduce Carter Case spending.

As shown in figure 12 actual spending for Carter Cases in the past five fiscal years has outpaced budgeted spending significantly. The Fiscal 2020 Executive Budget added \$203.1 million to Fiscal 2019 and baselined an additional \$101.6 million for Carter Cases for Fiscal 2020 and in the outyears. With a trend of increased costs and inaccurate budgeting, the Council anticipates further changes will be made to the budget for Carter Cases in the Executive Financial Plan.



Thus far in Fiscal 2020, DOE has settled 20,950 Carter Cases, with the average settlement of \$70,000. An additional challenge in accurately understanding spending on Carter Cases is that spending in any fiscal year includes payments for services in prior fiscal years; it is unclear what portion or amount of Carter Case spending in recent years has been for prior-year services.

Finally, there is concern that even though the Administration has moved to settle Carter Cases more quickly, payments to parents are frequently delayed. At least a portion of this delay is due to inadequate staff for handling Carter Cases at DOE. These staff are budgeted with Central Administration, but no changes are made to these staffing levels in the Preliminary Budget. The Council expects to see changes to Central Administration spending on Carter Cases in the Executive Financial Plan as well.

While Carter Case related spending makes up 1.5 percent of the Departments total budget, and continues to grow each year, this area of the budget also lacks transparency. There is no publicly available information on the number of Carter Cases the Department settles each year, or any insight as to why the Department is unable to find appropriate placements for children with disabilities within the public school system. The PMMR should include more information on Carter Case spending, as well as have indicators on the types of cases disaggregated by disability and/ or service needed.

The PMMR does not currently include any indicators related to Contract Schools. With continuous growth in spending related to Contract Schools, the Department should provide more transparency on the number of students enrolled in private schools, as well as the cost of enrollment at these schools. City Council Local Law 68 of 2009 requires the DOE to report on the number of NYC students in out-of-state contract schools and the average cost per student. As of September 2019, DOE reported 180 out-of-state students, down from the 215 reported in February 2019, at an average cost of \$135,170 per pupil.³³

Pupil Transportation

Funding budgeted in U/A 438 supports transportation services for students which are currently operating under month to month emergency contracts and are discussed in more detailed in the immediate preceding section, “Pupil Transportation Contracts”. Services include mandated door-to-door bus transportation for special education students and stop-to-school yellow bus transportation for qualifying elementary school students. Elementary school students not eligible for yellow bus service and older students may receive free or half-fare passes for public bus and train lines, which include New York City Transit (MTA) and Staten Island Rapid Transit (SIRT). Funding included in U/A 438 does not include all of the DOE’s spending on student transportation; additional student transportation services are budgeted in U/A 470, Special Education Pre-Kindergarten, and administrative costs for the Office of Pupil Transportation (OPT) are budgeted in the Central Administration program area, U/As 453 and 454 as discussed alongside figure 13 in this section. Table 26 shows spending in U/A 438 spending related to pupil transportation. Spending for pupil

³³ Local Law 68 of 2009 – Billy’s Law Reporting, September 1, 2019. Retrieved from:

<https://infohub.nyced.org/docs/default-source/default-document-library/billys-law-report-9-1-2019---final.pdf>

transportation is a large part of the DOE's budget, comprising 4.4 percent of the proposed Fiscal 2021 Preliminary Budget.

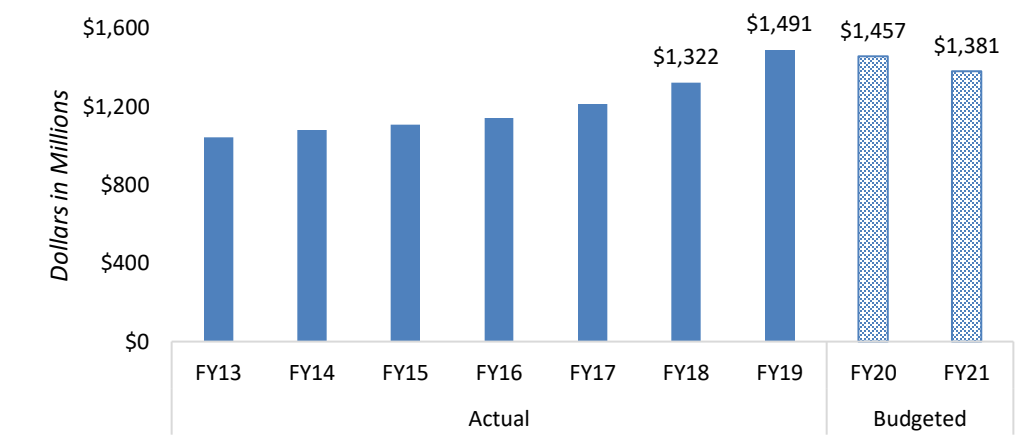
Table 26. U/A 438 - Pupil Transportation						
<i>Dollars in Thousands</i>	2018 Actual	2019 Actual	2020 Adopted	Preliminary Plan		*Difference 2020-2021
				2020	2021	
Spending						
Other Than Personal Services						
Special Education Buses	\$804,059	\$856,556	\$788,706	\$868,057	\$788,706	\$0
General Education Buses	374,174	399,055	359,361	371,218	372,967	13,606
GE Franchise Bus Payment	12,206	10,629	15,450	15,450	15,450	0
MTA Subsidy	527	90,023	45,000	45,000	45,000	0
SIRT Subsidy	876	1,222	1,723	1,723	1,723	0
TL Match for Chp 683	14,726	14,726	14,726	14,726	14,726	0
Financial Plan Savings	0	0	(813)	(813)	(813)	0
TOTAL	\$1,206,567	\$1,372,210	\$1,224,154	\$1,315,362	\$1,237,759	\$13,606
Funding						
City Funds			\$377,290	\$432,418	\$376,790	(\$500)
Other Categorical			300	300	300	0
State			846,564	882,644	860,669	14,106
TOTAL	\$1,206,567	\$1,372,210	\$1,224,154	\$1,315,362	\$1,237,759	\$13,606

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

As shown in table 26, the pupil transportation budget is just one percent or \$13.6 million more than the Adopted 2020 budget. This increase was budgeted in previous Financial Plans. However, the current budget for Fiscal 2020 is \$1.3 billion or \$91 million more than the Adopted 2020 budget due primarily to the \$63.7 million in new needs for transportation discussed early in the report that only impact Fiscal 2020 as a result of the emergency contracts. This discrepancy and large mid-year adjustment offer a glimpse into the large issue with the current emergency contracts within pupil transportation discussed in detail in the next subsection titled "Pupil Transportation Contracts". There is also \$813,000 in savings associated with OTPS savings in supplies and materials that was baselined beginning in Fiscal 2019 in the Fiscal 2019 Preliminary Financial Plan.

Figure 13 shows total spending on pupil transportation contracts across all U/As (while most of the spending is budgeted in U/A 438, small amounts are budgeted in school budgets, in the UPK budget, and in the Contract Schools budget). Actual costs for in Fiscal 2019 were approximately \$110 million higher than is currently budgeted for Fiscal 2021, and \$34 million higher than is currently budgeted for Fiscal 2020. This is partially because some vendors have discontinued providing services since their contracts expired, and these routes are reassigned to other vendors usually at a higher cost.

Figure 13. DOE Pupil Transportation Contract Spending Is Increasing, Not Appropriately Budgeted



According to a report provided by the DOE pursuant to a Fiscal 2020 Term and Condition, for the period from September 1, 2019 through December 15, 2019, a total of 7,847 DOE students were living in Department of Homeless Services (DHS) shelters. Of these students 7,134 were provided with a bus route for at least one day, and an additional 134 students in shelter were waiting to be routed.³⁴ Because students' housing status change regularly there are always students in shelter waiting to be routed. According to DOE, students in shelter are typically routed within a week of completed information being received by the Office of Pupil Transportation (OPT).

The PMMR traditionally does not provide any performance indicators regarding student transportation. Most critically, the PMMR did not include data on the number of students who use OPT services, either yellow bus service or passes for public transportation. This led to the Council's passage of Local Law 31 and Local Law 34 of 2019 with which the DOE began reporting on pupil transportation services.

According to information provided by the DOE in accordance with Local Laws 31 and 34 of 2019 covering January 2019 to June 2019, there were 75 school bus vendors serving approximately 143,314 students across 8,219 bus routes.³⁵ Of these students approximately 51,617, or 36 percent, are special education students. However, special education routes comprise approximately 70 percent of all routes. Over the six month reporting period 5,225 trips had a breakdown and 52,974 trips ran late. Of the routes that reported a breakdown, 54 percent are related to mechanical problems. For trips that were running late 71 percent were due to traffic, however 14 percent were categorized under "other" with no additional details. The reporting also includes information on vehicle status, MetroCards, DHS homeless student busing, foster care busing, pre-K busing, bus delays, parents' inquiries, school bus companies and staffing.

³⁴ These totals include students with IEPs requiring transportation, students who would be otherwise eligible for busing under typical busing rules, as well as students receiving bus service because they reside in shelter. Because a student's status can change over time, it is possible that a student is counted as both having received busing services during the reporting period as and waiting to be routed as of December 14, 2018.

³⁵ Department of Education. "Bi-Annual Reports on Student Transportation", November 1, 2019

In addition, pursuant to Local Law 32 of 2019, the DOE is required to equip all school buses with GPS technology by the start of the 2019-2020 school year. While the approximately 6,000 buses used for special education bus routes are already equipped with GPS, on March 8, 2019, the DOE issued an RFP for school bus GPS technology for all school buses, which totals about 10,000 buses. The services requested under this RFP also include school bus routing software and a school bus route app managed through a contract with VIA, which will provide parents, schools, and the Department with real time data and information on daily ridership and performance. The Council is working to understand the scope of data that will be tracked by the VIA app for purposes of reporting, as well as what information will be available to the public. The full cost of this new comprehensive GPS and routing system is not fully reflected in the Fiscal 2021 Preliminary Budget as further changes are expected until full rollout is complete.

School Bus Grant Program & Pupil Transportation Contracts

As mentioned earlier all vendors providing pupil transportation services for DOE students are operating on month to month emergency contracts with the DOE. This issue is the source of the escalating costs within OPT and why this U/A will continue to pose a budget risk until addressed.

As background, OPT does not own any school buses or employ any bus drivers; all school bus service is contracted with various school bus companies (bus vendors), excluding a small electrical bus pilot being operated by a bus companies with four buses purchased by DOE. Bus drivers and attendants (sometimes referred to as ‘escorts’) are employed by bus vendors themselves. However, the City has actively taken a role in ensuring adequate wages and benefits for these employees.

At the end of the 2013-14 school year the City rebid school bus contracts for approximately 1,600 routes and removed the employee protection provisions (EPPs), which had previously been included in these contracts. EPPs required school transportation contractors to give priority in hiring to employees who became unemployed because their employer lost DOE bus contract work and to pay these employees the same wages and benefits they received before becoming unemployed.

The Fiscal 2021 Preliminary Plan includes \$18.5 million in City funds within the Department of Small Business Services (SBS) for Fiscal 2020 to support the employment of experienced school bus workers impacted by changes in the Department of Education’s contracts for school bus transportation. The program was authorized by Local Law 44 of 2014, which the Council enacted at the request of the de Blasio Administration. The legislation authorized SBS to establish a grant program in relation to the employment of school bus drivers, attendants, dispatchers and mechanics that contracted with DOE to provide transportation services to K-12 students. Local Law 44 of 2014 expired on December 31, 2015. This funding has historically supported one firm – Reliant Transportation.

On December 29, 2017 DOE issued a request for bids (RFB) for school bus services on 1,600 of the City’s approximately 8,200 routes to replace existing contracts that expired in June 2018. The RFB included employee protections for seniority and pay, however, the DOE was prevented from opening the bids under a lawsuit challenging the legality of these employee protections.

Contracts covering approximately 83 percent of school bus routes expired on June 30, 2018; the rest of the school bus routes are covered by contracts that expire June 30, 2019. DOE has been using thirty-day emergency contract extensions to continue these services since their respective

expirations while they negotiate new five-year contracts with existing pupil transportation vendors. It is unclear how these new contracts will affect the overall cost of pupil transportation and how costs would compare to those under the emergency contracts, which are simply based on the costs of the most recent expired contracts.

Within the past four months the NYC Comptroller's office has twice, in December 2019 and on March 1, 2020, rejected and returned to DOE the 69 five-year retroactive contract extensions for pupil transportation. The Comptroller's primary concerns spelled out in a letter to DOE are a lack of standardized performance evaluations to assess all vendors and the same of the same contractors without proper evaluations. The Comptroller's letter requests six questions to be addressed by the DOE to further the review and approval of the contracts. These six items are:

1. Why DOE contracting does not use standardized agency performance evaluations and upload them into PASSPort as all other city agencies do?
2. Is DOE compiling with DOE Procurement Policy and Procedures (section 4-05) requiring DOE to establish an electronic process to evaluate and document the performance of its vendors and maintain a centralized database?
3. What steps were taken to ensure the 69 vendors have requisite records of satisfactory performance and business integrity?
4. What provisions in the bus contract extensions exist regarding timeliness and how are these metrics assessed and enforced, if they are, and how parents and the public can access this information?
5. Why has the total cost of these contracts dramatically increased? Provide a breakdown of dollars paid to each vendor under these Emergency Contracts.
6. Explain why there had been a delay in receiving the Via contract and when will GPS tracking will be fully operational?

These concerns spelled out in the Comptroller's letter have been constant points of questioning from the City Council towards DOE as the contracts were approaching expiration in recent years and in the time since. Until a solution is reaching the budget with Pupil Transportation will continue to be erratic.

School Food Services

With over 18 percent of all children in NYC experiencing food insecurity, compared to 13.8 percent of the total adult population, it is essential for schools to serve free and nutritious meals to all students.³⁶ Research shows that school lunch and breakfast are vital to the overall health and well-being of students, as well as positively impact academic performance.³⁷ DOE began providing free school lunch to all students, including students enrolled in charters and non-public schools who participate in the DOE School Food program, through the Federal Community Eligibility Program (CEP) at the start of the 2017-18 school year. DOE now collects the highest rate of reimbursement for each lunch served. According to the Fiscal 2019 October Financial Status Report Memorandum,

³⁶ Feeding America. Retrieved from: <https://map.feedingamerica.org/county/2017/child/new-york/organization/food-bank-for-new-york-city>

³⁷ Food Action and Research Center. "National School Lunch Program." Retrieved from: <https://frac.org/programs/national-school-lunch-program/benefits-school-lunch>

DOE claimed approximately \$460 million in federal revenue for school food. Approximately \$100.5 million of this was for school breakfast.³⁸

The Department's Office of School Food oversees DOE's breakfast and lunch programs and is supported by funding allocated through U/As 439 and 440. According to DOE, the Office of School Food works to promote healthy food choices for students and maintains high nutritional standards while offering healthy menu options. School breakfast and lunch are free for any public school student.

DOE provides School Breakfast is offered three ways in schools.

1. Breakfast in the Classroom (BIC): students eat in their classroom while the teacher takes attendance and/or makes announcements.
2. Grab & Go: stations are set up and students can pick up a packaged breakfast and take it with them to class.
3. A traditional service line in a cafeteria prior to the school day. Students who are late are still able to walk into the cafeteria and ask an adult for breakfast.

As reflected in table 27, there has been approximately a \$22 million decrease to the Department's School Food budget. About \$9 million of the \$22 million change is a result of changes in PS spending. The decrease in PS spending is a result of a \$10.7 million savings identified in the Preliminary Plan for programmatic underspending. The Administration has ensured that this savings is not related to a reduction in meals served to students.

The November 2020 Financial Plan baselined \$4 million in savings related to food contracts in Fiscal 2021 and in the outyears. The Administration cited that this is a result of a change in a menu offering. This change saved the Department approximately five cents per meal for approximately 20 million non-BIC meals each year. Additionally, the \$4 million in savings was also a result of a new chicken procurement that resulted in a ten-cent saving per portion served. This \$4 million in savings makes up a portion of the \$12.5 million decrease in the OTPS budget. The remaining \$8.5 million decrease to the OTPS budget is a result of spending that was identified in the Fiscal 2018 and Fiscal 2020 Adopted Budgets. This spending is related to the expansion of Breakfast in the Classroom (\$1.5 million), the Halal and Kosher Pilot (\$1 million), and the restoration of the Breakfast in the Classroom savings (\$6 million).

Council advocacy in Fiscal 2020 successfully restored a \$6 million savings identified for the Breakfast in the Classroom program, yet this cut is still reflected in the Department's Fiscal 2021 Budget. Additionally, the Council's \$1 million Halal and Kosher program pilot was funded by the Administration for Fiscal 2020 only. The pilot program was launched in 10 schools which were selected based on the school's enrollment, as well as principle, student, and parent buy in. Additionally, a school's kitchens ability to accommodate necessary equipment and storage was also a consideration. According to the DOE, the additional cost of a Halal meal is 14 cents, while a Kosher meal is an additional \$5.36 on average. The Council is waiting for DOE to report the number of Halal

³⁸ Department of Education. Financial Status Report "October 2019 Close Out." Retrieved from: https://www.nycenet.edu/offices/finance_schools/budget/dsbpo/fsr/FSR_Year_2019_2020/FSR_02_October/FY2019_October_2019_FSR.pdf

and Kosher meals served thus far this school year. Last school year, as of May 2019, DOE reported 27,989 meals served, of which 27,287 were Halal and 702 were Kosher.

Table 27: UAs 439 & 440 - School Food						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Personal Services						
Full-Time Salaried - Pedagogical	(\$5)	(\$0)	\$0	\$0	\$0	\$0
Full-Time Salaried - Non-Pedagogical	70,802	72,950	77,297	77,064	68,951	(8,346)
Other Salaried & Unsalaries	150,219	155,160	162,620	162,620	161,552	(1,068)
Additional Gross Pay	9,519	14,878	2,250	2,354	2,361	111
Overtime Civilian	3,820	3,924	3,740	3,740	3,740	0
Fringe Benefits	1,014	614	0	0	0	0
PS Other	54	18	0	0	0	0
Subtotal	\$235,422	\$247,544	\$245,907	\$245,778	\$236,604	(\$9,303)
Other Than Personal Services						
Contractual Services	\$16,892	\$20,254	\$13,183	\$13,354	\$11,543	(\$1,640)
Professional Services	4,552	4,898	1,084	1,084	1,084	0
Fixed & Misc. Charges	0	0	1,262	1,091	1,091	(171)
Other Services & Charges	7,602	7,050	3,344	3,344	3,344	0
Property & Equipment	10,260	11,285	4,551	4,551	3,213	(1,339)
Supplies & Materials	226,433	228,237	293,343	293,343	284,018	(9,324)
Subtotal	\$265,738	\$271,725	\$316,766	\$316,766	\$304,292	(\$12,474)
TOTAL	\$501,160	\$519,269	\$562,673	\$562,544	\$540,897	(\$21,777)
Positions						
Full-Time Positions - Non-Pedagogical	1,730	1,760	1,715	1,715	1,715	0
TOTAL	1,730	1,760	1,715	1,715	1,715	0

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

As reflected in table 28 the PMMR for Fiscal 2020 shows that from Fiscal 2018 to 2019 the average number of school lunches and breakfasts served daily slightly decreased. The Department reports that the slight decrease is due to the slight decrease in student enrollment.

According to Local Law 215 of 2017, the DOE reported that 496 schools offered BIC in the 2018-2019 school year, 88 more than during the prior school year.³⁹ In June 2019, the New York State Education Department released the list of schools mandated to implement Breakfast After the Bell, including approximately 1,265 schools in New York City.⁴⁰ If cross referencing the list of schools identified by the State, with the data the DOE reports on Local Law 215 of 2017, it would seem that only 856 schools, or 68 percent of the schools mandated by the State, actually implemented Breakfast After the Bell in the 2018-2019 school year. However, there is no clear reporting on how many of these schools are implementing Breakfast after the Bell.

Table 28: School Meals							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Average lunches served daily	584,439	610,138	604,577	*	*	NA	NA
Average breakfasts served daily	268,286	271,601	269,459	*	*	NA	NA

Source: Fiscal 2020 Preliminary Mayor's Management Report

³⁹ <https://infohub.nyced.org/reports/government-reports/school-food-reports>

⁴⁰ New York State Education Department, "New York State Legislation: Mandatory Breakfast After the Bell Implementation and Reporting of Breakfast Delivery Methods," available at: <http://www.cn.nysed.gov/content/breakfast-after-bell-implementation-and-reporting-breakfast-delivery-methods>.

The PMMR and MMR should report additional metrics and costs associated with school food, such as average cost per breakfast and average cost per lunch. Additionally, the PMMR and MMR should include information to demonstrate how BIC is performing, by indicating annual participation levels and number of meals served.

Central Administration

U/As 453 and 454 contain funding for the DOE's administrative offices. Functions include portfolio planning, operations, finance and school budget planning, enrollment, school safety, youth development, special investigations, intergovernmental affairs, equal opportunity, public information, community engagement, legal services, and labor relations.

As reflected in table 29, spending for Central Administration is projected to decrease by \$26 million in Fiscal 2021 when compared to the Fiscal 2020 Adopted Budget. This decrease is largely due to actions in the Fiscal 2021 Preliminary Plan of \$9 million in staffing efficiencies and \$2.5 million through more efficiently providing professional development training. The remaining large reductions are because of one-time funding from the Fiscal 2020 Adopted Budget that are not included in the Fiscal 2021 budget. This includes Administration one-shots of \$2.2 million for diversity and inclusion initiatives, \$1,000,000 for LGBT inclusion curriculum, and \$3.5 million for Urban Advantage from the Administration. Additionally, the Council is providing initiative funding that is never reflected in future Fiscal Years including \$1.8 million for college and career readiness, \$3.8 million for community schools, \$800,000 for LGBT inclusion curriculum, \$1.9 million for social and emotional supports, and \$550,000 to provide funding for the professional development of CSA members at seven Executive Leadership Centers.

<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$179,725	\$195,276	\$206,135	\$207,880	\$199,656	(\$6,478)
Full-Time Salaried - Pedagogical	12,401	14,698	14,133	14,133	13,814	0
Other Salaried	764	792	669	669	679	11
Overtime - Civilian	1,560	1,889	1,127	1,127	1,127	0
Unsalaries	123	197	157	157	161	4
Additional Gross Pay	6,971	7,407	2,499	2,453	1,197	(1,302)
Additional Gross Pay - Labor Reserve	1,121	2,272	0	1,855	0	0
Other	(127)	(151)	0	0	0	0
Subtotal	\$202,537	\$222,380	\$224,720	\$228,274	\$216,635	(\$7,765)
Other Than Personal Services						
Supplies and Materials	\$26,889	\$19,854	\$28,126	\$28,504	\$17,280	(\$10,847)
Fixed and Misc. Charges	280	211	98	348	98	0
Property and Equipment	4,362	5,960	3,681	3,697	3,050	(631)
Other Services and Charges	37,539	27,970	28,033	30,932	31,476	3,443
Contractual Services	106,317	106,565	86,314	91,000	76,140	(10,173)
Subtotal	\$175,387	\$160,559	\$146,252	\$154,481	\$128,045	(\$18,208)
TOTAL	\$377,924	\$382,939	\$370,972	\$382,755	\$344,680	(\$25,973)
Funding						
City Funds			\$274,314	\$286,096	\$248,021	(\$26,292)
Federal - Other			34,445	34,445	34,445	0
Other Categorical			6,443	6,443	6,443	0
State			55,771	55,771	55,771	0
TOTAL	\$377,924	\$382,939	\$370,972	\$382,755	\$344,680	(\$26,292)

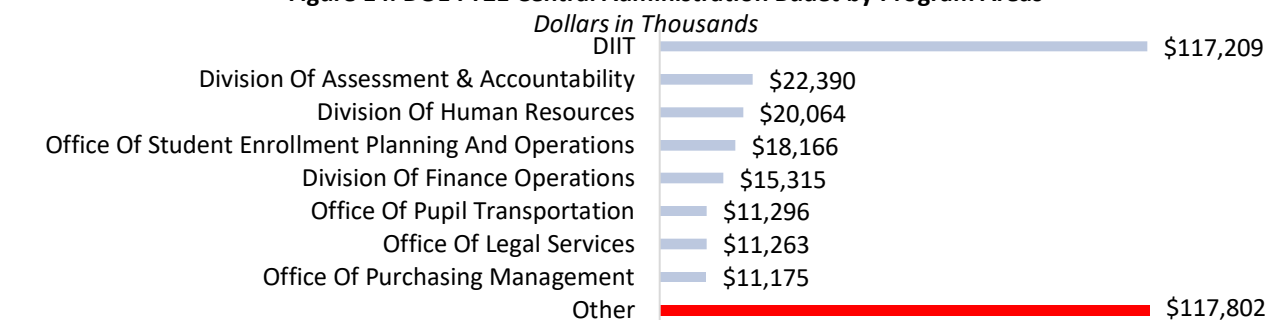
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Budgeted Headcount						
Full-Time Positions - Civilian	2,173	2,287	2,141	2,196	2,183	42
Full-Time Positions - Pedagogical	91	107	54	54	54	0
TOTAL	2,264	2,394	2,195	2,250	2,237	42

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

Continuation from previous page

The largest area of Central Administration Spending is for the Division of Instructional and Information Technology (DIIT). DIIT's budget in Fiscal 2021 is \$117.2 million, or 35 percent of Central Administration's \$334.7 million budget. DIIT's budgeted headcount in Fiscal 2021 is 438 of the Central Administration's 2,183 positions or 20 percent of headcount. These and other Central Administration offices with spending over \$10 million in Fiscal 2021 are shown in figure 14. These offices make up 66 percent of spending in Central Administration. 44 other offices and programs make up the remaining \$117.8 million or 34 percent.

Figure 14. DOE FY21 Central Administration Budget by Program Areas



School Facilities

School Facilities funding is budgeted in U/As 435 and 436. Funding for this program area supports the DOE's building maintenance and custodial operations. The Division of School Facilities (DSF) also completes some capital projects for which DOE receives revenue from the School Construction Authority, though this revenue is not necessarily received in the same year in which the projects are completed. DSF handles small capital projects such as classroom conversions and bathroom upgrades and these are largely done using job-order contracts funded in the OTPS budget.

School Facilities funding also supports the contract with New York City School Support Services (NYCSSS), a non-profit created in April 2016 to provide custodial staff for DOE schools. Custodial engineers, cleaners, handypersons, firepersons, and stationary engineers who work in DOE schools are employed through NYCSSS and overseen by DSF.

Table 30 below shows the budget and headcount for School Facilities as of the Fiscal 2021 Preliminary Plan. NYCSSS stands at \$645.2 million in Fiscal 2021 budget or 60 percent of the total School Facilities budget. This is the same funding level in the Fiscal 2020 plan. The newly adopted contract for NYCSSS are not accounted for in the Plan, as it was were approved at the January 29th Panel for Education Policy (PEP) meeting. The total value for this new contract is \$6.4 billion and the contract period is from Fiscal 2021 to Fiscal 2028. The contract includes an annual prevailing wage

increase of three percent and fringe benefit increases of 5.5 percent, which take effect in Fiscal 2021. It is expected that additional funding will be added to NYCSSS budget in the Executive Budget. NYCSSS employs approximately 7,481 full-time and part-time employees.

The budget for Fiscal 2021 will decrease approximately \$75 million from the Adopted Fiscal 2020 due to \$133 million in CDBG funding that came to DSF for work on 50 smaller accessibility projects. This work is being done by DSF instead of SCA due to requirements in CDBG funding that require local staff reporting on projects. To determine building accessibility DOE assigns all schools a Building Accessibility Profile Rating (BAP Rating) on a 1 to 10 scale with 9 and 10 considered full accessibility. DSF will bring 29 buildings that range from non-accessible to partially accessible to full accessibility, bringing the average BAP rating for these 29 buildings from below 4 to 9 in all but two schools. The remaining 21 projects focus primarily on long term elevator repairs at locations that often experience issues. Of the 21 locations, 15 will go from having a BAP rating below 9 to a 9 or 10.

Table 30. U/As 435 & 436 - School Facilities						
	FY18	FY19	FY20	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	FY20	FY21	FY20 - FY21
Spending						
Personal Services						
Full-Time Salaried - Civilian	\$56,518	\$57,429	\$66,421	\$67,376	\$65,851	(\$570)
Other Salaried	48	0	0	0	0	0
Overtime - Civilian	6,486	6,764	1,516	1,516	1,516	0
Unsalaries	99,866	100,023	117,971	125,421	125,422	7,451
Fringe Benefits	1	0	0	0	0	0
Additional Gross Pay	942	960	214	214	214	
Additional Gross Pay - Labor Reserve	5,453	10,199	0	8,607	0	0
Subtotal	\$169,313	\$175,376	\$186,123	\$203,135	\$193,004	\$6,881
Other Than Personal Services						
Supplies and Materials	\$50,789	\$54,782	\$30,267	\$30,281	\$30,267	\$0
Fixed and Misc. Charges	100,630	85,379	0	0	0	0
Property and Equipment	2,272	3,279	398	398	563	165
Other Services and Charges	7,915	8,044	7,688	7,705	7,721	33
Contractual Services	908,519	874,624	912,460	1,039,900	836,938	(75,523)
Subtotal	\$1,070,126	\$1,026,108	\$950,813	\$1,078,284	\$875,488	(\$75,325)
TOTAL	\$1,239,439	\$1,201,484	\$1,136,936	\$1,281,419	\$1,068,492	(\$68,444)
Funding						
City Funds			\$814,463	\$830,802	\$821,844	\$7,381
Other Categorical			73,687	73,687	73,687	0
State			173,488	173,488	166,439	(7,049)
Federal - CD			74,625	172,933	5,849	(68,776)
Intra City			673	30,508	673	0
TOTAL	\$1,239,439	\$1,201,484	\$1,136,936	\$1,281,419	\$1,068,492	(\$68,444)
Budgeted Headcount						
Full-Time Positions - Civilian	625	612	659	653	649	(10)
TOTAL	625	612	659	653	649	(10)

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

The Council requires several Term and Condition reports covering DSF, including a report on science labs, instructional spaces with functioning A/Cs and a report on NYCSSS employment figures.

As of 2019-2020 school year a total of 2,849 rooms across 592 school buildings have a science room, this includes 96 science classrooms, 831 demo rooms, 1,273 labs, and 649 prep rooms. Four school building have no dedicated room of any kind devoted to science purposes and 101 have only 1 room.

The most recent A/C Term and Condition report covers during a reporting period from July 2019 through December 2019 during which 1,037 installations were completed. By the end of the reporting period 46,534 of the 59,666 instructional rooms across DOE schools have functioning A/C units or 78 percent. A remaining 2,880 rooms have a non-functioning A/C unit and 10,252 rooms are without an A/C unit.

Lastly, the NYCSSS Term and Condition report covers Fiscal 2020, the final year of the current contract. During this period NYCSSS' budget is \$647 million, which includes \$432 million for custodial staff salaries and wages, \$208 million for fringe and \$7 million for administration. Within custodial staff salaries and wages a large majority of funding, \$313 million, is devoted to contractually mandated maintenance and operations with the rest of funds covering work on special programs, needs based allocations, extended use and emergency work. The reporting also provides a small breakdown of NYCSSS' 7,481 headcount into 29 for administration and 7,452 custodial staff.

As previously discussed, large adjustments to school facilities budget are expected in the Executive Plan to align the budget with approved contract changes.

Energy and Leases

Funding for heat, light, power, and fuel oil, as well as leases is scheduled in U/A 444. As shown in table 31, there are minimal changes proposed for this area between the Fiscal 2020 Adopted Budget and the Fiscal 2021 Preliminary Budget.

Table 31. U/A 444 - Energy & Leases						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Other Than Personal Services						
Leases	\$235,331	\$256,249	\$272,201	\$272,201	\$272,201	\$0
Heat, Light, Power & Fuel	282,393	285,560	306,902	306,902	306,918	16
TOTAL	\$517,724	\$541,808	\$513,867	\$513,880	\$513,894	\$0
Funding						
City Funds			\$507,158	\$507,158	\$507,173	\$16
State			71,945	71,945	71,945	0
TOTAL	\$517,724	\$541,808	\$579,103	\$579,103	\$579,119	\$16

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

According to the Fiscal 2020 Term and Condition on lease costs, the Department leases 354 buildings at a total cost of \$330.3 million. The transfer of leases from ACS for Early Learn sites accounts for 69 leases with a total cost of \$44.8 million. Of the remaining 285 leases that total 285.5 million, 17 of these leases totaling 28.7 million are for Administrative use while the remaining 268 are for schools. All but 21 leases, and all Early Learn leases, are at unique locations.

Table 32 shows the number of leases held by DOE with their expiration date for the 285 non-Early Learn sites. While half of leases won't expire for at least 10 years, 12 leases have already expired, and another 52 leases will expire before the end of 2023, three years, leaving them ineligible for any capital funding. Those leases expiring in 2024 or 2025 would only be eligible for notebooks,

tablets and select technology. Leases that will be active until at least 2026, five years, will be eligible for all technology capital purchases. Lastly, leases active for ten years, 2030 or beyond, will be eligible for most physical capital improvements as well. These long term leases lasting at least ten years only account for eight percent of leases which adds a lot of uncertainty to this U/A's budget.

Table 32. DOE Leases, Non-Early Learn		
Expiration Date	# of Leases	% of Leases
Expired or 2020	27	9%
2021-23	25	9%
2024-25	69	24%
2026-29	140	49%
2030 or beyond	24	8%

School Safety

The DOE pays the New York Police Department (NYPD) via an intra-city payment to provide security services at all public schools. The school safety agents who work in the schools are employees of the NYPD, not the DOE. A Memorandum of Understanding between the two departments outlines the NYPD's role in securing the schools.

As reflected in table 33, funding for School Safety is \$427.3 million in the Fiscal 2021 Preliminary Budget, an increase of \$19.7 million from the Fiscal 2020 Adopted Budget. This increase is entirely to support the increased cost of existing staff due to collective bargaining agreements; there is no budgeted increase in headcount. A total of \$303.8 million is budgeted to go directly to the NYPD through an intra-city payment and the remaining funding goes to the miscellaneous budget to support fringe costs associated with NYPD school safety staff.

Table 33. U/A 442 - School Safety						
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
OTPS	\$378,057	\$395,200	\$407,631	\$421,770	\$427,337	\$19,706
TOTAL	\$378,057	\$395,200	\$407,631	\$421,770	\$427,337	\$19,706
City Funds			\$397,101	\$411,240	\$416,807	\$19,706
State			10,530	10,530	10,530	0
TOTAL	\$378,057	\$395,200	\$407,631	\$421,770	\$427,337	\$19,706

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

Table 34 shows spending on school safety in NYPD's budget. As previously mentioned, all the increased spending is related to the increased cost of school safety agents related to scheduled salary increases. NYPD employs 5,016 school safety agents and 156 supervisors.

Table 34. NYPD School Safety Spending						
<i>Dollars in Thousands</i>	FY18	FY19	FY20	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY20	FY21	FY20-FY21
Personal Services						
Additional Gross Pay	\$7,034	\$7,411	\$6,433	\$6,433	\$6,433	\$0
Additional Gross Pay - Labor Reserve	589	740	0	157	0	0
Fringe Benefits	4,812	3,596	3,368	6,378	7,308	3,940
Full-Time Salaried - Civilian	216,711	226,037	237,615	247,652	252,077	14,463
Full-Time Salaried - Uniformed	15,494	16,756	19,569	19,569	19,571	2
Overtime - Civilian	53,189	56,304	40,424	40,424	40,424	0
Overtime - Uniformed	2,691	2,993	370	370	370	0
Unsalaries	74	75	600	600	601	1
SUBTOTAL	\$300,596	\$313,911	\$308,379	\$321,583	\$326,784	\$18,405
Other Than Personal Services						
Contractual Services	\$474	\$597	\$620	\$755	\$620	\$0
Other Services & Charges	231	385	708	897	708	0
Property & Equipment	3,751	3,279	3,200	2,951	3,200	0
Supplies & Materials	403	455	376	301	376	0
SUBTOTAL	\$4,859	\$4,717	\$4,904	\$4,904	\$4,904	\$0
TOTAL	\$284,386	\$305,455	\$287,446	\$314,865	\$313,017	\$18,405
Budgeted Headcount						
Full-Time Positions - Civilian	4,936	4,942	5,322	5,322	5,322	0
Full-Time Positions - Uniform	95	125	189	189	189	0
TOTAL	5,031	5,067	5,511	5,511	5,511	0

*The difference of Fiscal 2020 Adopted Budget compared to Fiscal 2021 Preliminary Budget

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The mission of the School Safety Division in the NYPD is to provide a safe environment, conducive to learning, where students and faculty can be free from hostility and disruptions which could negatively impact the educational process. Data from the Fiscal 2020 PMMR reflected in table 35 shows criminal activity in schools has been trending downward thus far in Fiscal 2020, though there were increases year-over-year from Fiscal 2017 to 2018 in all categories outside seven major crimes.⁴¹

Table 35. FY19 PMMR - School Safety							
Performance Indicators	Actual			Target		4-Month Actual	
	FY17	FY18	FY19	FY20	FY21	FY19	FY20
Seven Major Crimes	504	466	444	↓	↓	136	110
Other criminal	2,007	2,026	1,537	↓	↓	374	309
Other	4,361	5,112	4,202	↓	↓	1,057	981

Source: Fiscal 2020 Preliminary Mayor's Management Report

Non-Public Schools and FIT

The DOE passes state aid for textbooks, library books, data processing supplies, and other school supplies to non-public schools. The DOE also provides support for the Fashion Institute of Technology (FIT). As reflected in table 36, of the \$93.1 million budgeted in U/A 474, \$57.3 million

⁴¹ Seven major crimes includes all crimes categorized as a major index crime (murder and non-negligent manslaughter, forcible rape, robbery, felonious assault, burglary, grand larceny, and grand theft auto) occurring within City public schools. Other criminal categories includes all other reported felonies and misdemeanors occurring within City public schools. Other incidents includes all serious non-criminal incident occurring within City public schools.

supports FIT. The DOE does not control the amount of funding budgeted in U/A 474, as all the allocations are formulaic pass-through funding required by the State.

Table 36. U/A 474 - Non-Public Schools						
	2018	2019	2020	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2020	2021	2020-2021
Spending						
Other Than Personal Services						
Supplies and Materials	\$1,515	\$1,498	\$3,403	\$3,403	\$3,403	\$0
Fixed and Misc. Charges	58,515	58,443	57,826	58,398	57,288	(538)
Property and Equipment	17,367	16,552	32,442	32,442	32,442	0
TOTAL	\$77,397	\$76,493	\$93,671	\$94,243	\$93,133	(\$538)
Funding						
City Funds			\$54,780	\$54,780	\$54,242	(\$538)
Intra City			0	572	0	0
State			38,891	38,891	38,891	0
TOTAL	\$77,397	\$76,493	\$93,671	\$94,243	\$93,133	(\$538)

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

Appendices

A. Budget Actions since Fiscal 2020 Adoption

Appendix A Budget Actions in the November and the Preliminary Plans						
Dollars in Thousands	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
DOE Budget as of the Adopted FY20 Budget	\$13,456,076	\$13,776,364	\$27,232,440	\$13,966,900	\$14,112,210	\$28,079,110
New Needs						
Indirect Cost Rate	\$5,961	\$0	\$5,961	\$5,961	\$0	\$5,961
Carter Case Adjustment	150,000	0	150,000	0	0	0
Transportation Budget Adjustment	63,739	0	63,739	0	0	0
Subtotal, New Needs	\$219,700	\$0	\$219,700	\$5,961	\$0	\$5,961
Savings						
Agency Phone Plan Review	(\$22)	\$	(\$22)	(\$43)	\$0	(\$43)
ATR Severance Program	(10,900)	0	(10,900)	(30,000)	0	(30,000)
Elimination of Hold Harmless Allocation	0	0	0	(8,400)	0	(8,400)
Food Contract Efficiencies	0	0	0	(4,000)	0	(4,000)
PRAC Administration	(3,000)	3,000	0	(3,000)	3,000	0
Professional Development Reduction				(45,600)		(45,600)
Programmatic Underspending	(1,300)	0	(1,300)	(28,150)	0	(28,150)
Staffing Efficiencies	0	0	0	(39,000)	0	(39,000)
Strengthen Procurement Controls	(10,000)	0	(10,000)	(10,000)	0	(10,000)
Transportation Aid	(500)	500	0	(500)	500	0
UPK Grant	(3,100)	3,100	0	(3,100)	3,100	0
YMI Adjustment	143	0	143	(655)	0	(655)
Subtotal, Savings	(\$28,679)	\$6,600	(\$22,079)	(\$172,448)	\$6,600	(\$165,848)
Other Adjustments						
20POWER	\$0	\$240	\$240	\$0	\$0	\$0
Adult Literacy Transfer	150	0	150	0	0	0
CD Accessibility in Schools	0	0	0	0	0	0
CD Rollover - Code Violation R	0	33,278	33,278	0	0	0
CD Rollover - Environmental He	0	5,000	5,000	0	0	0
City Council Member Items Reallocation	(425)	0	(425)	0	0	0
Collective Bargaining Lump Sums	650,000	0	650,000	0	0	0
DC 37 L983 Collective Bargaining IC	5	0	5	9	0	9
DC37 Equity Panel: Collective Bargaining	357	0	357	382	0	382
Early Childhood Collective Bargaining	18,382	0	18,382	30,747	0	30,747
EarlyLearn Adjustment	1,514	0	1,514	1,514	0	1,514
Energy Intensity Trng.	0	219	219	0	0	0
Energy Personnel	0	1,425	1,425	0	0	0
ExCEL Projects	0	11,664	11,664	0	0	0
I/C mod with DOE GO Pass	0	15	15	0	0	0
IC W/ DOE - ANTS Program	0	7,000	7,000	0	0	0
IC W/ DOE - Dental Consent	0	75	75	0	0	0
IC W/DOE - ANTS Program	0	5,410	5,410	0	0	0
IC W/DOE - Obesity	0	2,762	2,762	0	0	0
IC W/DOE RECYCLING CHAMPIONS	0	973	973	0	0	0
IC W/DOE ZERO WASTE FY20	0	20	20	0	0	0
L237: Non-LL56 Collective Bargaining (IC)	12	0	12	21	0	21
L237: Non-LL56 Groups Collective Bargaining	160	0	160	265	0	265
L246: All Groups Collective Bargaining	276	0	276	327	0	327
L306: AV Aide Techs Collective Bargaining	12	0	12	16	0	16
L891: School Custodians Collective Bargaining	8,848	0	8,848	8,848	0	8,848
LC237 Collective Bargaining	1,258	0	1,258	2,152	0	2,152
Management Benefits Fund Increase	604	0	604	403	0	403
NYC Service: Youth Leadership Councils	75	0	75	0	0	0
RCM projects	0	17,085	17,085	0	0	0
Revenue Adjustment	0	84,500	84,500	0	16,500	16,500
Revenue SARA Grant	0	75	75	0	0	0
SSA Collective Bargaining Increase	13,047	0	13,047	21,116	0	21,116
SSA Collective Bargaining Increase Fringe	941	0	941	1,522	0	1,522

<i>Dollars in Thousands</i>	FY20			FY21		
	City	Non-City	Total	City	Non-City	Total
SSA Collective Bargaining Lump Sums	\$152	\$0	\$152	\$0	\$0	\$0
TLC Permit	0	14	14	0	0	0
YMI Funding Adjustment	354	0	354	0	0	0
Subtotal, Other Adjustments	\$695,722	\$169,755	\$865,477	\$67,322	\$16,500	\$83,822
TOTAL, All Changes	\$886,743	\$176,355	\$1,063,098	(\$99,165)	\$23,100	(\$76,065)
DOE Budget as of the Preliminary FY21 Budget	\$14,342,819	\$13,952,719	\$28,295,538	\$13,867,735	\$14,135,310	\$28,003,045

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B. Council Initiatives

A Greener NYC. This initiative supports environmentally friendly focused programs that encourage education, advocacy, community service, and green-job training, contributing to the improvement and conservation of NYC's air, land, energy, open spaces, and other vital resources.

College and Career Readiness. Funding supports programs that ensure students are college and career ready. Contracted providers support students through a variety of activities, including, but not limited to, SAT preparation, assistance with college applications, mentoring, and tutoring.

Community Schools. Funds support the NYC Community Learning Schools Initiative, and will directly support community school resource directors, social workers, health services, and professional development. This initiative also supports the Children's Health Fund to provide the Healthy and Ready to Learn Program, which provides technical assistance, training, and resources to schools throughout the City.

The Crisis Management System (CMS). CMS is a collection of interrelated programs intended to reduce incidences of shootings in the City. The CMS is anchored by cure violence programs. Additional programs include, job training, mental health supports, public messaging, community therapeutic work, legal services, school-based youth development programs that work together to help communities heal from gun violence, prevent gun violence and change community norms.

Educational Programs for Students. This allocation supports direct educational initiatives for students including, but not limited to literacy, math, science and technology programs.

LGBT Inclusive Curriculum. This allocation funds the DOE's effort to support the needs of LGBTQ youth and address the intersectionality of race, sexual orientation and gender identity through DOE's general curriculum. The funding supports professional development for public school teachers as well as integrating LGBTQ inclusive curriculum into literacy and history classes.

Physical Education and Fitness. This allocation helps to improve fitness levels and the overall health of students by providing physical activity and fitness programs. Programs supported under this initiative include the Small Schools Athletic League (\$1,000,000) and CHAMPS (\$125,000).

Social Emotional Supports. The funding will support programs that provide social-emotional supports to students, including mental health services for public school students, counseling, and training that builds the capacity of school personnel and parents to effectively treat symptoms of trauma and stress.

Support for Educators. This initiative funds professional development and mentoring for educators and school leaders. The allocation to United Federation of Teachers Educational Foundation of \$3,500,000 will support the creation of a teacher's center. Additionally, \$450,000 to the Council of

School Supervisors and Administrators (CSA) will provide funding for the professional development of CSA members at seven Executive Leadership Centers. The remaining \$250,000 will fund the Teacher's College to support nutrition education.

Work-Based Learning Internships. This allocation supports paid internships for students enrolled in DOE Career and Technical education Programs (CTE). CTE programs provide work-based learning opportunities for students in industries aligned with their CTE program.

C. DOE FY20 Preliminary Contract Budget

DOE FY21 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY20 Adopted	Number of Contracts	FY21 Preliminary	Number of Contracts
Contractual Services General	\$24,865	60	\$20,964	59
Telecommunications Maint	4,366	48	4,366	48
Maint & Rep Motor Veh Equip	178	6	380	7
Maint & Rep General	0	1	0	0
Office Equipment Maintenance	1,822	58	1,822	58
Data Processing Equipment	41,724	77	41,746	77
Printing Contracts	6,558	54	6,558	54
Security Services	322	4	322	4
Temporary Services	21,728	77	21,217	77
Cleaning Services	181	3	181	3
Transportation Expenditures	4,882	24	4,882	24
Day Care Of Children	320,258	669	314,933	669
Head Start	150,684	89	128,709	89
Bus Transp Reimbursable Prgms	40	1	40	1
Transportation Of Pupils	1,244,894	344	1,299,693	344
Pmts Contract/Corporat School	1,640,504	1781	1,752,724	1781
Training Prgm City Employees	4,292	3	4,292	3
Charter Schools	2,292,408	235	2,384,001	235
Maint & Oper Of Infrastructure	917,585	418	841,519	418
Payments To Delegate Agencies	59	1	59	1
Prof Serv Accting & Auditing	3,210	2	3,210	2
Prof Serv Legal Services	10,859	52	10,859	52
Prof Serv Engineer & Architect	1,833	7	1,803	7
Prof Serv Computer Services	36,391	84	33,715	83
Prof Serv Direct Educ Serv	870,494	1149	843,896	1149
Prof Serv Other	156,269	435	151,729	435
Bank Charges Public Asst Acct	154	1	154	1
Prof Serv Curric & Prof Devel	131,748	606	117,072	605
Education & Rec For Youth Prgm	4,725	121	4,725	121
TOTAL	\$7,893,033	6410	\$7,995,569	6407