

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Mark Treyger
Chair, Committee on Education



Report of the Finance Division on the
Fiscal 2021 Preliminary Capital Budget, Fiscal 2021 Preliminary Capital Commitment Plan,
and February 2020 Proposed Amendment to the Five-Year Capital Plan for the
Department of Education and the School Construction Authority

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Table of Contents

School Construction Authority Overview 1

SCA Operating Budget and Staff 1

DOE Capital Funding Sources..... 1

DOE Capital Budget and Commitment Plan 2

 Preliminary Capital Budget 3

 Preliminary Capital Commitment Plan 3

February 2020 Proposed Amendment to the Fiscal 2020-2024 Five-Year Capital Plan 5

 Proposed Changes from Adopted Plan to February Proposed Plan..... 5

 Capacity 6

 Capital Investment..... 8

 Mandated Programs 9

Council Priorities, Issues, and Concerns 10

Appendices 13

 A. Adopted 2020-2024 Capital Plan vs. February Proposed Fiscal 2020-2024 Capital Plan
 Amendment 13

School Construction Authority Overview

The Department of Education (DOE) provides primary and secondary education to over one million 3-K to grade 12 students in over 1,800 schools as well as children in EarlyLearn who receive education from DOE. The School Construction Authority (SCA) was established by the New York State Legislature in 1988 to build new public schools and manage the design, construction, and renovation of capital projects in New York City's public school buildings. In 2002, state legislation consolidated management of the Department of Education's (DOE's) capital program under the SCA. The SCA is the agency responsible for new school construction and major repairs and renovations to schools. SCA selects and acquires sites for new schools, including leases, and supervises major capital upgrades of existing DOE facilities.

State law requires the DOE to produce a Five-Year Capital Plan in addition to the City's Capital Plan and budget for the DOE; the development of this Five-Year Capital Plan is coordinated by the SCA. SCA and DOE are six months into the first year of the Fiscal 2020-2024 Five-Year Capital Plan (Adopted Plan). This report will cover the February 2020 Proposed Amendment (February Proposed Plan) to the Adopted Capital Plan. This will be the first amendment to the current Adopted Plan produced by the SCA, which the Council will vote on at Adoption.

This report provides a review of the SCA's budget, DOE's funding sources, DOE's Fiscal 2021 Preliminary Capital Budget and Preliminary Capital Commitment Plan for Fiscal 2020-2024. This is followed by a comparison of the February Proposed Plan to the Adopted Plan.

SCA Operating Budget and Staff

SCA funds its operating budget with capital funding, which the Office of Management and Budget (OMB) approves each year. Neither its operating budget nor staff are included in the City budget.

For Fiscal 2020, SCA currently has 892 full-time equivalent employees, and a budgeted headcount of 969. The headcount for Fiscal 2021 is still pending budget development but large changes are not expected.

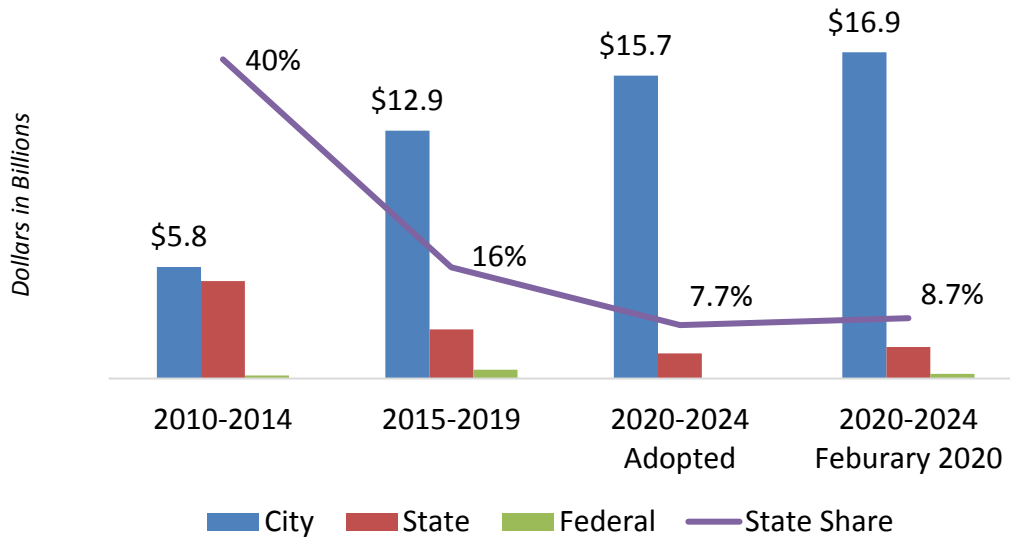
SCA's Fiscal 2020 million operating budget is \$222.6. The Fiscal 2021 operating budget is also still in development with few changes expected.

DOE Capital Funding Sources

New York State historically funded approximately 50 percent of the City's education capital costs directly through building aid revenue bonds (BARBs) and continued to be true up until the 2010-2014 SCA Five-year Plan. Since then, most of the bonds currently being issued to finance DOE capital projects are City-backed bonds, such as General Obligation (GO) bonds.

The State's direct portion of the City's education capital costs has dropped down to 8.7 percent of the plan in the most recent amendment as shown in Figure 1 below. The figure below does not account for Building Aid which is received from the State in the City's operating budget. This revenue finances debt service on education capital projects and indirectly frees up City tax-levy to pay debt service. With Building Aid accounted for the State continues to contribute approximately 50 percent of the City's education capital costs.

Figure 1. Historical Five-Year Plan Capital Funding Sources



State Funding

Apart from Building Aid, the City received approximately \$783 million in State capital funding for education through the Smart Schools Bond Act (SSBA). The City will use this funding for the removal of transportable classroom units (\$300 million), the construction of pre-K capacity (\$100 million), and for connectivity and classroom technology (\$383 million). Most of the funds for technology have been spent and projects for the remainder of the funding has been identified. P.S. 41 in Queens and P.S. 639 in the Bronx have funded capacity projects that will assist in TCU removal and there are two funded Pre-K centers in Brooklyn, one on 63rd Street and another on 8th Street.

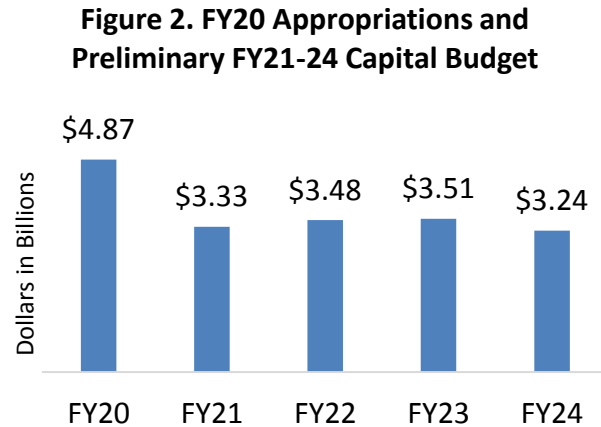
The Governor’s Executive Budget proposed reducing NYC’s Building Aid Ratio from 56.9 percent to 53.3 percent, which would result in a \$3.4 million cut to building aid that would compound annually, reducing the State’s contribution to the SCA Capital Plan. The SCA estimates the total impact of the Building Aid Ratio reduction for projects funded in the Fiscal 2020-2024 Plan to reach \$400 million over 30 years, or, by the SCA’s estimates, the cost of five new school buildings or 33 Pre-K/3-K centers.

DOE Capital Budget and Commitment Plan

The Capital Budget determines the funding levels available to the DOE for its Five-Year Capital Plan. The legislation that established the SCA exempted the DOE from the City’s line-by-line annual Capital Budget. Instead, the City provides lump sum allocations for education capital expenditures, and the DOE determines how the funds will be used, subject to scope approval by the City. All funded projects must be listed in the DOE’s Five-Year Capital Plan.

Preliminary Capital Budget

The Capital Budget provides the estimated need for new appropriations for Fiscal 2021 along with projections for the subsequent three-year capital program. As shown in Figure 2, the Department of Education has \$4.87 billion in appropriations in Fiscal 2020 and the Fiscal 2021 Preliminary Capital Budget includes \$13.56 billion for Fiscal 2021 to Fiscal 2024.



The \$4.87 billion represents approximately 13 percent of the City’s \$36.50 billion Fiscal 2020 appropriations and 24 percent of the City’s total \$56.13 billion Preliminary 2021-2024 Capital Budget.

Preliminary Capital Commitment Plan

The Fiscal 2021 Preliminary Capital Commitment Plan includes \$18.37 billion in Fiscal 2020-2024 for the DOE. This represents approximately 22 percent of the City’s total \$85.53 billion Preliminary Commitment Plan.

As shown in the table below, DOE’s Preliminary Commitment Plan for Fiscal 2020-2024 is \$18.33 billion, an increase of \$35.5 million or less than one percent from the Adopted Commitment Plan. The variance between the Preliminary and Adopted DOE Capital Commitment Plans is isolated to three changes in Fiscal 2020 and Fiscal 2021: the addition of \$1.7 million in New York City Council Discretionary funding all within Fiscal 2020; the removal of \$1.4 million from Fiscal 2020 of funds allocated to the 2014-2019 SCA Capital Plan; and the addition of \$35.2 million in Fiscal 2021 for the 2020-2024 SCA Capital Plan.

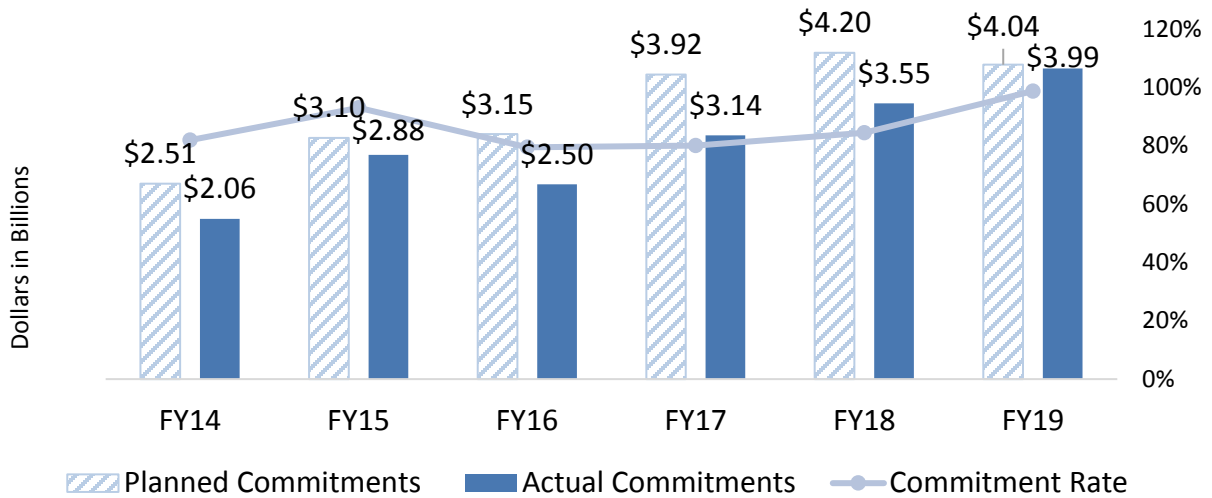
DOE Adopted vs. Preliminary FY20-24 Capital Commitment Plan						
<i>Dollars in Thousands</i>	FY20	FY21	FY22	FY23	FY24	Total
Adopted	\$4,373,257	3,573,900	3,631,320	3,514,380	3,239,780	\$18,332,637
Preliminary	4,373,567	3,609,100	3,631,320	3,514,380	3,239,780	18,368,147
Change	310	35,200	0	0	0	35,510
% Change	0.01%	0.98%	0.00%	0.00%	0.00%	0.19%

The Plan shows that DOE has a level of commitments that are steady from Fiscal 2020 to Fiscal 2024. The DOE Commitment Plan shows 24 percent of total planned commitments in the first year, down from 27 percent in last year’s Preliminary Plan; the remaining four years of the Commitment Plan are evenly balanced with 18 to 20 percent of the total planned spending in each fiscal year. It is a welcome improvement that, after focused Council advocacy, planned commitments improve over the course of the Commitment Plan even though annual planned commitments are not yet ideally balanced.

Figure 3 below shows the last six years of DOE’s actual commitments compared against the planned commitments as of the preceding final Commitment Plan at the Executive Budget. The

chart also shows the capital commitment rate, which is the percentage of the capital plan committed per fiscal year. DOE does commit most of its planned commitments in any given year. In Fiscal 2019, DOE committed just under \$3.99 billion, or 99 percent of its \$3.99 billion planned commitments. Even with a very high commitment rate, DOE will end this fiscal year with some unmet commitment targets and available appropriations will be rolled into Fiscal 2021. While DOE’s commitment rate was near perfect, \$3.99 billion in commitments reached in Fiscal 2019 calls into question the reasoning for the Commitment Plan’s projections of \$3.24 to \$3.63 billion in commitments for Fiscal 2021 through Fiscal 2024 as SCA can clearly execute more projects.

Figure 3. DOE Capital Commitments, FY14-19



Because the law authorizing the SCA exempts it from the City’s line-by-line Capital Budget, the structure of the DOE’s Capital Budget and Commitment Plan is different from most other City agencies. Almost all of the funding for each DOE Five-Year Capital Plan is included in one budget line (analogous to a unit of appropriation in the expense budget). Rather than representing specific projects, project IDs under this budget line reflect spending for each fiscal year. For example, funding for most of the DOE’s current Fiscal 2020-2024 Five-Year Capital Plan is in budget line E-2365, “Seventh Five-Year Educational Facilities Capital Plan.” This budget line currently has \$16.6 billion, or 90 percent, of the Education Preliminary Commitment Plan.

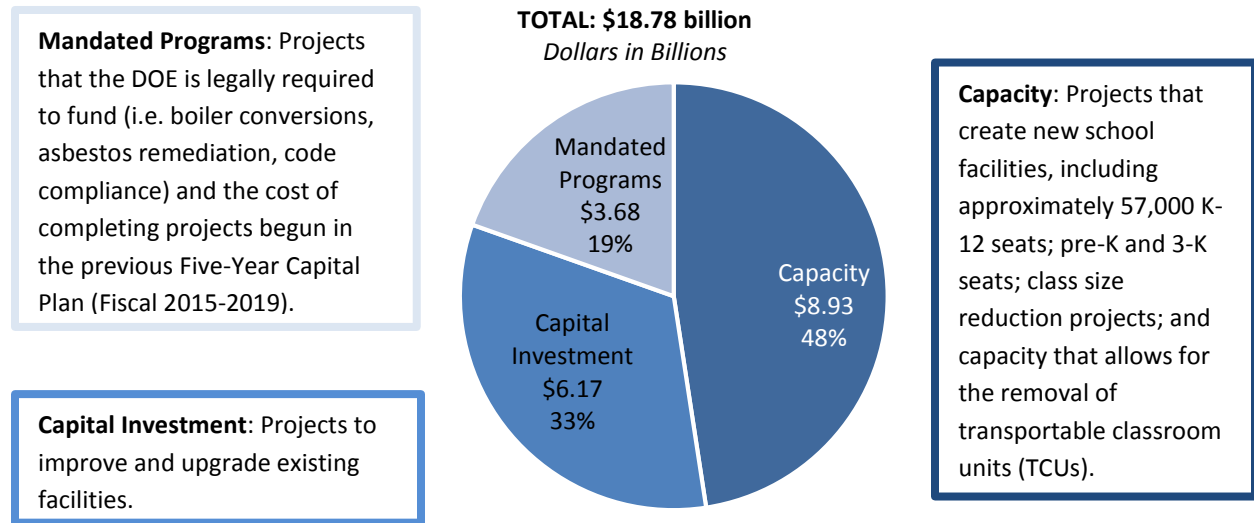
Since some projects funded in the DOE’s fixed five-year capital plans will continue beyond the final fiscal year of the plan, the DOE’s Capital Budget includes budget lines for previous Five-Year Capital Plans. The previous five-year plan currently has \$1.18 billion, or six percent, of the DOE’s Preliminary Commitment Plan. Uncommitted funds from these capital plans continue to roll into the next fiscal year, which is part of DOE’s overall Capital Commitment Plan roll. There are also budget lines for City Council additions to DOE’s Capital Budget and a budget line for each Borough President’s additions. Additionally, the Fashion Institute of Technology (FIT) is funded through DOE and has budget lines in the Education Capital Commitment Plan. Finally, there are some relatively small budget lines based on project type (i.e. E-2500 “School Facilities Capital, Hurricane Sandy & Nor’easter”).

February 2020 Proposed Amendment to the Fiscal 2020-2024 Five-Year Capital Plan

As previously mentioned, the SCA and DOE recently released the February Proposed Plan. When it is combined with Reso A funds from the New York City Council and Borough President it will go on to amend the current Adopted Plan. This February Proposed Plan is the first amendment to the Adopted Plan the Council will vote on.

The February Proposed Plan is divided into three sections: Capacity, Capital Investment, and Mandated Programs; funding levels for these three sections are reflected in Figure 5. The remainder of this report outlines changes made in this February Proposed Plan compared to the Adopted Plan. These three sections are discussed in more detail below.

Figure 5. Fiscal 2020-2024 Five-Year Capital Plan Proposed Amendment



Proposed Changes from Adopted Plan to February Proposed Plan

The February Proposed Plan totals \$18.78 billion, an increase of \$1.76 billion from the Adopted Plan. The increase is due to \$591 million for Resolution A (Reso A) funding from elected officials, \$138 million for facility replacement, \$237 million for roofs, \$102 million for parapets, \$100 million for windows and \$579 million for prior plan completion. One decrease of note in the Proposed Plan is a decrease of \$124 million for heating plant upgrades whose projects were instead completed with state of good repair work through boiler conversions. Beyond these funding changes, the remaining changes in the February Proposed Plan compared to the Adopted Plan are minor. All budget changes in the Proposed Plan are outlined in Appendix A. The February Proposed Plan identifies additional projects absent from the Adopted Capital Plan and also makes changes to some project budgets and timelines for projects originally identified in the Adopted Capital Plan. Below we will look at changes in the three sections of February Proposed Plan with a focus on capacity projects and the other identified large shifts in the February Proposed Plan.

Capacity

Capacity projects total \$8.93 billion, or 48 percent, of the February Proposed Plan and are comprised of five areas: New Capacity, \$7.88 billion; class size reduction, \$150 million; Pre-K and 3-K for All, \$588.9 million; capacity to support removal of TCUs, \$180 million; and facility replacement, \$138.4 million.

The February Proposed Plan provides information on additional capacity projects in process from the previous Fiscal 2015 to Fiscal 2019 Capital Plan. These projects, while not accounted for in the Capacity program section of the February Proposed Plan, will continue adding capacity to the system. Instead these projects are funded through prior plan completion and are discussed under Mandated Programs.

The February Proposed Plan contains varying levels of funding for 89 capacity projects, unchanged from the Adopted Plan. However, 30 sites have been identified in the February Amendment, compared to 18 in the Adopted Plan. It is not possible to know if these projects include new capacity funds and class size reduction funds or just new capacity because class size projects are not clearly defined. No separate tables exist to identify which projects being implemented are for class size reduction even though the narrative text of the plan stresses the focus and importance of these funds to assist in providing capacity to help reduce class size. Class size reduction is discussed at greater length under issues and concerns later in the report.

February 2020 Proposed Plan Fiscal Year 2020-2024 Capacity Projects in Process, Sited Projects					
School District	School	Borough	Forecast Capacity	Design Start	Actual / Est. Completion
2	P.S./I.S. @ WESTERN RAILYARDS	M	766	Apr-21	Sep-26
2	P.S. @ TRINITY PLACE	M	450	May-15	Sep-22
2	P.S. @ HUDSON SQUARE	M	462	Apr-20	Jun-25
7	P.S. @ 639 ST ANNS AVENUE	X	572	Apr-19	Jul-23
8	P.S. 138 ADDITION	X	542	Sep-19	Sep-23
9	P.S. @ EDWARD L GRANT HIGHWAY	X	458	Aug-19	Sep-23
9	P.S. @ 2075 WEBSTER AVENUE	X	392	Jun-19	Sep-23
10	JONAS BRONCK ACADEMY	X	389	Mar-19	Sep-22
10	P.S. @ 2355 MORRIS AVENUE	X	476	Sep-19	Sep-23
11	P.S. 87 ADDITION	X	412	Apr-19	May-23
11	P.S. 108 ADDITION	X	600	Jul-19	Sep-23
12	P.S. 195/ 196 ADDITION	X	608	Apr-19	May-23
12	P.S. @ 1570 BOONE AVENUE	X	458	Dec-17	Sep-21
13	I.S. 653	K	812	May-15	Jun-23
13	P.S. @ ALBEE SQUARE WEST	K	332	Jul-17	Mar-23
15	P.S./H.S. @ SCHERMERHORN STREET	K	382	Mar-18	Jun-23
15	I.S. @ 21-31 & 35 DELEVAN STREET	K	646	Sep-20	Jun-25
20	I.S. @ 650 86TH STREET	K	550	Jan-22	Jun-26
21	P.S. 253 ADDITION	K	428	Nov-19	Sep-23
24	P.S. @ 69-02 QUEENS BOULEVARD	Q	476	Jan-19	Jun-24
25	P.S. 32 ADDITION	Q	376	Sep-19	Sep-23
25	P.S. 169 ADDITION	Q	643	Sep-18	Jun-23
26	P.S. 26 ADDITION	Q	458	Nov-19	Sep-24

School District	School	Borough	Forecast Capacity	Design Start	Actual / Est. Completion
26	P.S. 41 ADDITION	Q	488	Feb-19	Sep-23
26	P.S. 46 ADDITION	Q	440	Sep-18	Sep-22
30	P.S. @ PARCEL C	Q	572	Dec-16	May-24
30	P.S. 85 ANNEX	Q	476	Jun-19	Sep-23
30	I.S. @ 44-59 45 AVENUE	Q	536	Mar-21	Jun-25
31	P.S. 5 ADDITION	R	334	Jan-20	Apr-24
78Q	H.S. @ 51-30 NORTHERN BOULEVARD	Q	3,079	Jun-18	Sep-23

*Continuation from previous page

The February Proposed Plan includes four Pre-kindergarten (Pre-K) center projects, compared to three in the Adopted Plan. All four projects are sited and provide a total capacity of 684 projected seats. It also includes sixteen 3-K center projects, compared to four in the Adopted Plan, in addition, the number of sited projects increases from one to ten when compared to the Adopted Plan. These sixteen sites will provide a total capacity of 2,235 projected seats. Identify what is new

February 2020 Proposed Plan Pre-K Projects in Process, Sited Projects					
School District	School	Borough	Forecast Capacity	Design Start	Actual / Est. Completion
15	PRE-K CENTER @ 168 8TH STREET	K	180	Dec-17	Sep-21
20	PRE-K CENTER @ 412 63RD STREET	K	90	Nov-16	Sep-23
24	PRE-K CENTER @ 37-55 104 STREET*	Q	108	Aug-18	Jul-23
24	PRE-K CENTER @ 47-01 111TH STREET	Q	306	Aug-16	Sep-21

*New Project

February 2020 Proposed Plan 3-K Projects in Process, Sited Projects					
School District	School	Borough	Forecast Capacity	Design Start	Actual / Est. Completion
12	3K CENTER @ 1224 PROSPECT AVENUE*	X	75	Mar-19	Sep-20
27	3K CENTER @ 185 BEACH 99TH STREET*	Q	120	Jun-19	Sep-21
29	3K CENTER @ 207-01 JAMAICA AVENUE*	Q	165	Aug-18	Sep-20
31	3K CENTER @ 1390 RICHMOND TERRACE*	R	150	Sep-18	Sep-21
31	3K CENTER @ 2040 FOREST AVENUE	R	150	Jul-18	Sep-20
31	3K CENTER @ 2389 RICHMOND AVENUE*	R	90	Sep-18	Sep-20
31	3K CENTER @ 1275 WOODROW ROAD*	R	75	Jul-18	Sep-20
31	3K CENTER @ 365 BAY STREET	R	120	Oct-18	Sep-21
31	3K CENTER @ 1800 RICHMOND TERRACE*	R	90	Mar-19	Sep-20
31	3K CENTER @ 375 TOMPKINS AVENUE	R	255	Mar-19	Sep-20
3-K Projects in Process, Non-Sited Projects					
7	3K CENTER @ EAST 162ND STREET*	X	150	Mar-19	Sep-20
9	3K CENTER @ PLIMPTON AVENUE	X	90	Nov-18	Sep-21
24	3K CENTER @ BROADWAY*	Q	90	Apr-19	Sep-20
29	3K CENTER @ SPRINGFIELD BOULEVARD*	Q	60	Apr-19	Sep-20
31	3K CENTER @ Hylan BOULEVARD	R	450	Jan-19	Sep-21
31	3K CENTER @ WEST STREET	R	105	May-19	Sep-21

*New Project

Lastly, included are two replacement projects and one project for capacity supporting TCU removal project. All three projects are new since the Adopted Plan and are sited. The replacement projects do not add capacity and the capacity supporting TCU removal project will add 158 seats. The replacement sites were both chosen because the current schools buildings were determined to be unworkable and a new building at the same locations was the best path forward for the school.

February 2020 Proposed Plan Replacement Projects, Sited Projects					
School District	School	Borough	Forecast Capacity	Design Start	Actual / Est. Completion
9	P.S. 163	X	Replacement	Jun-19	Sep-23
27	P.S. 47	Q	Replacement	Nov-19	Sep-22
Capacity Supporting TCU Removal Projects, Sited Projects					
27	P.S. 96 ADDITION	Q	158	Jan-20	Sep-23

Capital Investment

The Capital Investment program totals \$6.17 billion, or 33 percent, of the February Proposed Plan and is composed of the Capital Improvement Program (CIP), School Enhancement Projects, and Reso A projects. The Capital Investment section contains 56 percent of the changed in the February Proposed Plan with the largest changes being \$591 million for (Reso A) funding from elected officials, \$237 million for roofs, \$102 million for parapets, \$100 million for windows, and a decrease of \$124 million for heating plant upgrades.

CIP Projects compose total \$3.09 billion, or 16 percent, of the February Proposed Plan and comprise exterior projects that most work to prevent water infiltration of building which is the SCA sees as the single largest cause to the deterioration of facilities, interior work, TCU removal and athletic field upgrades.

Projects are identified for inclusion for exterior water prevention work if any of the four major components were in “poor” or “fair to poor” condition. The four major components are roofs, parapets, windows and masonry. These exteriors projects total \$2.28 billion in the February Proposed Plan. If exterior work is done on one of these major components, other components with similar or “fair” condition are also included in the project scope. Conditions are determined through the Building Condition Assessment Surveys (BCAS) survey. For the major areas of change in exterior projects all experienced some degree of cost estimate changes but also had additional projects identified including roofs which grew to 68 projects up from 27, parapets grew to 85 projects up from 33, and windows grew to 33 projects up from 10.

Interior projects make up \$542.5 million of the February Proposed Plan and have minor changes for the large part and a reduction in heating plant upgrades because projects were completed during boiler conversions. TCU removal and athletic field upgrades saw no change in the February Proposed Plan staying at \$50 million and \$100 million respectively.

School Enhancement Projects total \$2.49 billion, or 13 percent, of the February Proposed Plan and are divided into two categories Facility Enhancements and Technology. Facility enhancements, totaling \$1.74 billion, have seen very little change in the February Proposed Plan

with the four largest areas accessibility projects, air conditioning initiative, facility restructuring and safety and security all seeing no change. Technology remains at \$750 million and has no change to its constituent areas that include high-capacity bandwidth work, wireless platforms, voice modernization and electrification work.

Mandated Programs

Mandated programs total \$3.67 billion, or 20 percent, of the February Proposed Plan and is comprised of the areas in the table below. All but two areas, prior plan completion and “emergency, unspecified, & miscellaneous” are at the same exact funding level from the Adopted Plan.

Mandated Programs	
Mandated Program Area	February Proposed Plan
Boiler Conversions	\$650,000
Asbestos Remediation	200,000
Lead Paint Removal	10,000
Emergency Lighting	35,000
Code Compliance	125,000
Building Condition Surveys	100,000
Wrap Up Insurance	900,000
Prior Plan Completion	1,079,300
Emergency, Unspecified, & Miscellaneous	575,000
TOTAL	\$3,674,300

(Dollars in Thousands)

The emergency, unspecified, & miscellaneous program area is a lump sum provided for in law to allow for flexibility by the SCA and DOE and it comprises three percent of the plan, under the five percent limit set by law. Spending in the area grew \$25 million since the Adopted Plan.

Prior plan completion was one of the major areas of change in the February Proposed Plan, increasing from \$500 million in the Adopted Plan to \$1.08 billion currently or more than doubling. This accounts for 33 percent of the growth in the February Proposed Plan. Prior plan completion provides funding for construction contracts that were obligated during the previous five-year plan. While the February Proposed Plan does not provide any reasons for these large increases, the SCA did provide a list of 1,777 projects currently wrapping up completion. The Council will work with the SCA to better determine how prior plan completion projects can be more transparently accounted for in future proposed plans and to request an enumeration of projects that account for increases in prior plan completion spending as well completion dates for these projects.

The Plan provides information on additional capacity projects in process from the previous Fiscal 2015 to Fiscal 2019 Capital Plan. As of February 2020, 33 school construction projects are in progress. This is down from 47 when compared to the Adopted Plan as 13 projects that were slated to open by September 2019 have done so, and one project was moved into capacity projects for the current 2020 - 2024 Capital Plan because the project had not yet been awarded. This shifted project is in School District 26 on 54th Avenue and is slated for 572 seats. The 33 sites

in progress are projected to open 16,324 seats, and the 13 remaining sites that opened by September 2019 had a total a projected 3,592 seats.

February 2020 Proposed Plan Fiscal Year 2015-2019 Capacity Projects in Process				
School District	School	Borough	Address	Projected Seats
11	P.S. 19 ADDITION	X	4318 KATONAH AVENUE	400
15	P.S. 32 ADDITION	K	317 HOYT STREET	436
19	P.S./I.S. @ 3269 ATLANTIC AVENUE	K	3269 ATLANTIC AVENUE	1,000
20	P.S. 746	K	270 59TH STREET	976
20	PK/3K CENTER @ 21 BAY 11TH STREET	K	21 BAY11TH STREET	45
24	P.S. 128 ADDITION	Q	69-10 65TH DRIVE	440
24	P.S. 143 ADDITION	Q	34-74 113TH STREET	980
25	P.S. 129 ADDITION	Q	128-02 7TH AVENUE	548
26	P.S. @ 56-10 214 STREET	Q	56-10 214 STREET	292
75	P.S. 256 ANNEX	Q	445 BEACH 135 STREET	132
75	D75 REPLACEMENT @ 15 FAIRFIELD STREET	R	15 FAIRFIELD STREET	192
	TOTAL SEATS OPENING SEPTEMBER 2020			5,441
10	P.S. 33 ANNEX	X	2424 JEROME AVENUE	388
10	P.S. 340 ANNEX	X	25 WEST 195TH STREET	296
11	P.S. 97 ADDITION	X	1375 MACE AVENUE	548
15	P.S. @ 4513 8TH AVENUE	K	4513 8TH AVENUE	328
15	P.S. @ 836-841 5TH AVENUE	K	836-841 5TH AVENUE	404
20	P.S. 127 ADDITION	K	7805 7TH AVENUE	364
21	P.S. 97 ADDITION	K	1855 STILLWELL AVENUE	468
22	P.S. 254 ADDITION	K	1801 AVENUE Y	416
24	I.S. 419	Q	111-10 ASTORIA BOULEVARD	646
28	P.S. 196 ADDITION	Q	71-25 113 STREET	250
29	P.S. 131 ADDITION	Q	170-45 84TH AVENUE	384
30	P.S. 2 ADDITION	Q	75-10 21 AVENUE	180
30	P.S. @ PARCEL F	Q	1-35 57TH AVENUE	612
75	I.S./H.S. @ 715 OCEAN TERRACE	R	715 OCEAN TERRACE	456
78K	EAST NEW YORK FAMILY ACADEMY	K	2057 LINDEN BLVD	602
78Q	ACADEMY OF AMERICAN STUDIES	Q	40-11 28 STREET	969
78Q	FRANCIS LEWIS HS ANNEX	Q	58-20 UTOPIA PARKWAY	555
	TOTAL SEATS OPENING SEPTEMBER 2021			7,866
15	P.S. @ 4302 4TH AVENUE	K	4302 4TH AVENUE	332
28	P.S. 206 ADDITION	Q	61-21 97TH PLACE	392
30	I.S. @ 47-10 BARNETT AVENUE	Q	47-10 BARNETT AVENUE	725
31	P.S. @ 357 TARGEE STREET	R	357 TARGEE STREET	773
78Q	CARDOZO HS ANNEX	Q	57-00 223 STREET	795
	TOTAL SEATS OPENING SEPTEMBER 2022			3,017

Council Priorities, Issues, and Concerns

The Council has always advocated for more transparency and details in the SCA plan and a clearer detailed process on seat need calculations and how they impact the plan. The February Proposed Plan does little to address these issues.

Calculating Identified Seat Need

In 2018 the Council passed Local Law 167 which required the DOE to post online the process, data and criteria used by the department and the SCA to calculate the number of seats needed to be built to meet future enrollment needs. The presentation of a Proposed Five-Year Capital Plan and the requisite Local law 167 documents, posted online in an effort to comply with the law, still do not provide a clear explanation, reasoning, or overarching methodology as to how seat change is calculated and its effects on the overall plan. The documents uploaded by the SCA do not make the final link between data and identified seat need, which seems to continue to exist in a vacuum. What would be more helpful is for the SCA to identify every time seat need is changed in the plan, the exact metrics and numbers associated with that change that result in identified seat need movements at the sub-district level.

Another issue within seat need is that no methodology is given to explain the process by which SCA determines in which sub-districts to prioritize funding projects. As an example, School Districts 11, with an identified need of 3,136 seats, and 13, with an identified need of 1,620 seats, both have two subdistricts, one with 100 percent of the seat need funded or in process and another sub-district with some portion of the seats in process. This is a sharp difference from School District 27 and 28 who have at least two subdistricts and an average seat needs of 2,334 and yet have zero seats completed or in process.

Class Size Reduction

The Council recently held a hearing on February 28 to discuss class size reduction. Class size reduction has always been a major priority of the Council and advocates across the education spectrum. During the hearing a wide breath of unions, advocates, parents, students, and Administration officials all testified to the need for smaller classes and the disruption large class size brings. There was uniform agreement on the benefits of smaller class sizes for both teachers and their students. The Administration's past remarks and those during the testimony provided outlined support for class size reduction. The SCA's plan itself, as laid out on page 23 of the February Proposed Plan, states:

The Class Size Reduction Program recognizes the need for targeted investments to build additions or new buildings near school buildings that would significantly benefit from additionally capacity and further promote quality and equality among our schools.

Yet, no separate tables exist to identify which projects being implemented are for class size reduction or if any are in progress or what district will be prioritized. This is in comparison to the three projects completed in the prior 2014-2019 capital plan. While there is \$150 million in the February Proposed Plan for class size reduction, this represents less than one percent of the plan. This is \$42.1 million less than the \$192.1 million spent in the 2014-2019 capital plan and \$350 million less than the \$500 million target set when this program was added to the 2014-2019 capital plan.

Blue Book Working Group

One area of promised but failed progress on transparency was the formation of a Blue Book Working Group (BBWG), shortly after Mayor de Blasio and former Chancellor Fariña took office in 2014. The BBWG's role was to review and propose recommendations to make the Blue Book more "transparent, accurate, and easy-to-understand." The DOE adopted initial BBWG proposals

in 2014, but did not adopt all of the later recommendations released in July 2015, including a key recommendation to lower class-size targets. Instead, the DOE promised to study the BBWG's five other recommendations. The BBWG recommendations on class size related to the Blue Book "target" methodology, which is used to calculate capacity for each instructional room by using a target class size that varies by grade level. The BBWG recommended using the class size standards set forth in the City's Five-Year Class Size Reduction Plan, required under the Contracts for Excellence legislation and approved by the State in 2007, in calculating Blue Book maximum target capacity. However, the Blue Book continues to use a target class size of 28 for grades 4 to 8, and a class size of 30 for grades 9 to 12. Not only are these target class sizes for grades 4 to 12 higher than class sizes specified in the state-approved C4E five-year class size reduction plan, they are higher than current average class sizes. For that reason, advocates maintain that the Blue Book's school capacity numbers are inflated, and utilization rates do not accurately reflect overcrowding. Further, use of current Blue Book data in DOE/SCA standards for constructing new capacity means the City is building new schools to contain class sizes larger than current levels in grades 4 to 12.

Capital Needs Related to Early Childhood Education

Recently DOE took over the management of ACS's EarlyLearn centers which provide free or low-cost programs for families that qualify. These programs provide early care and education for children from birth to two years old, year round, for up to ten hours a day. Nowhere within the February Proposed Plan are these sites mentioned with regards to increased scope of work for repairs, technology, and facility replacement or as part of "Early Education Initiatives" within the February Proposed Plan.

Lastly, a reoccurring issue is that on October 31, 2018, the Council outlined its vision for the DOE Fiscal 2020-2024 Five-Year Capital Plan in a letter to the Mayor, DOE, and SCA. The vision consisted of five major recommendations, outlined briefly below and discussed in detail in the Fiscal 2020 Preliminary report of the Finance Division for this committee. The February Proposed Plan has continued to not incorporate the Council's major recommendations with regards to implementing the key recommendations of *Planning to Learn*, holistically assessing and funding essential school components, and providing the Five-Year Capital Plan and related documents in a more transparent format to the Council and school communities.

1. Implement the recommendations of the Council's March 2018 report, *Planning to Learn: The School Building Challenge*.
2. Reset baseline expectations for safe and supportive learning environments
3. Adopt a more rigorous focus on efficiency and innovation.
4. Revise the presentation of the Five-Year Capital Plan and increase transparency.
5. Renew collaboration with the Council.

Appendices

A. Adopted 2020-2024 Capital Plan vs. February Proposed Fiscal 2020-2024 Capital Plan Amendment

<i>Dollars in Thousands</i>	Adopted FY20-24 Plan	February Proposed FY20-24 Plan	Difference*	% Change
Capacity	\$8,761,000	\$8,932,900	\$171,900	2%
New Capacity	\$7,881,000	\$7,875,600	(\$5,400)	0%
Pre-K for All	550,000	588,900	38,900	7%
Class Size Reduction	150,000	150,000	0	0%
Capacity to Support Removal of TCUs	180,000	180,000	0	0%
Facility Replacement	0	138,400	138,400	n/a
Capital Investment	\$5,180,200	6,168,500	\$988,300	19%
Reso A	\$1,000	\$591,700	\$590,700	59,070%
City Council (CC)	0	420,600	420,600	n/a
Borough President	1,000	163,620	162,620	16,262%
Mayor/CC	0	7,460	7,460	n/a
Capital Improvement Program	2,757,700	3,089,000	331,300	12%
Exteriors	1,856,400	2,284,300	427,900	23%
Flood Elimination	226,600	280,800	54,200	24%
Reinforcing Support Elements	20,500	20,200	(300)	(1%)
Reinforcing Cinder Concrete Slabs	0	1,000	1,000	n/a
Roofs	234,900	471,700	236,800	101%
Parapets	252,100	354,500	102,400	41%
Exterior Masonry	902,800	836,500	(66,300)	(7%)
Windows	219,500	319,600	100,100	46%
Interiors	656,500	542,500	(114,000)	(17%)
Low-Voltage Electrical System	80,000	92,800	12,800	16%
Interior Spaces	27,300	23,600	(3,700)	(14%)
Kitchen Areas	25,000	25,000	0	0%
Climate Control (excludes mandated)	0	50,000	50,000	n/a
Elevators & Escalators	50,000	50,000	0	0%
Floor	27,300	21,900	(5,400)	-20%
Electrical System (excludes facility restructuring)	0	10,200	10,200	n/a
Lighting Fixtures (excludes mandated)	0	300	300	n/a
Heating Plant Upgrade	414,800	290,600	(124,200)	-30%
Safety Systems	32,100	28,100	(4,000)	-12%
Other	94,800	112,200	17,400	18%
TCU Removal/Playground Redevelopment	50,000	50,000	0	0%
Athletic Field Upgrades	100,000	100,000	0	0%
School Enhancement Projects	2,421,500	2,487,800	66,300	3%
Facility Enhancements	1,671,500	1,737,800	66,300	4%
Facility Restructuring	287,500	287,500	0	0%
Universal Physical Education Initiative	25,000	46,300	21,300	85%
Air Conditioning Initiative	284,000	284,000	0	0%
Safety & Security	200,000	200,000	0	0%
Science Lab Upgrades	50,000	50,000	0	0%
Accessibility	750,000	750,000	0	0%
Physical Fitness Upgrades	25,000	51,600	26,600	106%
Library Upgrades	0	1,500	1,500	n/a
Auditorium Upgrades	0	16,900	16,900	n/a
Bathroom Upgrades	50,000	50,000	0	0%
Technology	750,000	750,000	0	0%

<i>Dollars in Thousands</i>	Adopted FY20-24 Plan	February Proposed FY20-24 Plan	Difference*	% Change
High-Capacity Bandwidth Data Network	285,000	285,000	0	0%
High-Capacity Bandwidth School Data Wiring Upgrade	52,500	52,500	0	0%
Next Generation (Wave 3) Wireless Platform	97,500	97,500	0	0%
Modernizing Voice Infrastructure	60,000	60,000	0	0%
School Electrification Upgrades	75,000	75,000	0	0%
Ancillary Technology Facilities Upgrade	52,500	52,500	0	0%
Non-Infrastructure Projects	127,500	127,500	0	0%
Mandated Programs	\$3,070,000	\$3,674,300	\$604,300	20%
Boiler Conversions	\$650,000	\$650,000	\$0	0%
Asbestos Remediation	200,000	200,000	0	0%
Lead Paint Removal	10,000	10,000	0	0%
Emergency Lighting	35,000	35,000	0	0%
Code Compliance	125,000	125,000	0	0%
Building Condition Surveys	100,000	100,000	0	0%
Wrap Up Insurance	900,000	900,000	0	0%
Prior Plan Completion	500,000	1,079,300	579,300	116%
Emergency, Unspecified, & Miscellaneous	550,000	575,000	25,000	5%
TOTAL	\$17,011,200	\$18,775,700	\$1,764,500	10%

* Difference between February Proposed Plan and Adopted Fiscal 2020-2024 Capital Plan (i.e. February 2020 Amendment to the Fiscal 2020-2024 Five-Year Capital Plan).