

THE COUNCIL OF THE CITY OF NEW YORK

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Report to the Committee on Finance, Subcommittee on Capital Budget, and the
Committee on Education

on the Fiscal 2022 Executive Budget for the

Department of Education and School Construction Authority

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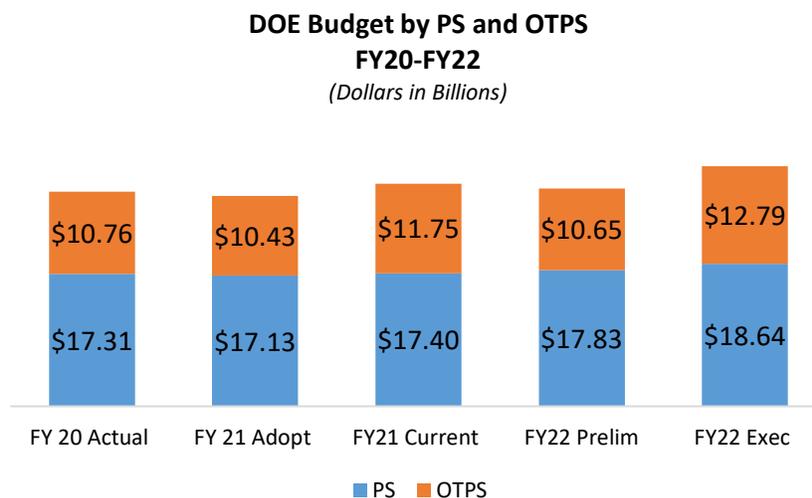
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Department of Education Overview

This report provides a review of the Department of Education’s (DOE or the Department) Fiscal 2022 Executive Budget. The first section of the report provides an overview of the Department’s \$31.43 billion Fiscal 2022 Executive Budget and discusses changes made in the Executive Financial Plan. The report will then summarize the impact of the Fiscal 2022 Enacted State Budget and federal stimulus as it pertains to DOE, followed by a discussion of major budget actions introduced in the Fiscal 2022 Executive Budget. The report then reviews the education related proposals in the Council’s Response to the Fiscal 2022 Preliminary Budget and identifies those included in the Executive Budget. Finally, this report presents an overview of the Department’s Ten Year Capital Strategy, Capital Commitment Plan, Capital Budget, and issues with the SCA’s Proposed Amendment to the Fiscal 2020-2024 Five Year Capital Plan (Proposed Amendment). The Proposed Amendment was discussed in the [Finance Division’s report on the Fiscal 2022 Preliminary Capital Budget and Proposed Amendment to the Fiscal 2020-2024 Capital Plan](#). The SCA does not further revise the Proposed Amendment between its release in February and the adoption of the budget. For additional information on the Department’s budget and its various programs, please refer to the [Finance Division's report on the Fiscal 2022 Preliminary Budget and the Fiscal 2021 Preliminary Mayor's Management Report](#).

The Department’s Fiscal 2022 Executive Budget totals \$31.43 billion, which represents 31 percent of the City’s total budget of \$98.56 billion. DOE’s Fiscal 2022 Executive Budget increases by \$3.87 billion or 14 percent when compared to the Fiscal 2021 Adopted Budget, and \$2.28 billion or eight percent when compared to the current Fiscal 2021 Budget. Additionally, the Executive Budget includes another \$6.26 billion in Fiscal 2022 for education-related pension, debt services, and other fringe costs budgeted outside of DOE. This brings the City’s total education related spending up to \$37.69 billion in Fiscal 2022, or 37.5 percent of the City’s projected Fiscal 2022 budget.



Growth of DOE’s Fiscal 2022 budget in the Executive Financial Plan is attributable largely to federal funding from the Coronavirus Response and Relief Supplemental Appropriations (CRSSA) and American Rescue Plan Act (ARPA). As shown in the bar chart above, the Preliminary Budget proposed a significantly lower spending level for DOE than the Executive Budget. With the

infusion of federal aid DOE plans to increase Personal Services (PS) spending by \$1.51 billion and Other Than Personal Services (OTPS) spending by \$2.35 billion above the Adopted Budget for Fiscal 2021. Growth in both PS and OTPS are due to new initiatives that address learning loss during the pandemic and additional supports for students and teachers as they transition back to in person learning in the fall. Budgeted headcount for DOE increases by 4,583 in Fiscal 2022 when compared to the Fiscal 2021 Adopted Budget. Of the increase in budgeted headcount, 86 percent or 3,970 positions are pedagogical. The remaining 613 new positions are non-pedagogical.

	2019	2020	2021	Executive Plan		*Difference
	Actual	Actual	Adopted	2021	2022	2021-2022
Budgeted Headcount						
Full-Time Positions - Non Pedagogical	13,218	13,607	12,790	12,865	13,403	613
Full-Time Positions - Pedagogical	120,398	121,077	123,968	123,971	127,938	3,970
TOTAL	133,616	134,684	136,758	136,836	141,341	4,583

The Administration announced several large investments for DOE to support students, teachers, and schools in an effort to transition from remote learning to full in-person learning in the fall of 2021. The DOE's budget makes significant investments in schools by increasing Fair Student Funding allocations to 100 percent of what schools are entitled to, thus supporting school budgets and providing principals the resources they need for students to excel. Additionally, over \$1.95 billion is allocated to programs to combat learning loss during the pandemic and provide compensatory services to students with special needs. To pair with these academic recovery programs, the Administration has touted plans for summer programming to prepare students for the upcoming academic school year under the Summer Rising initiative, which makes available academic support, arts, recreation, and social-emotional support for every student Kindergarten through 12th grade. It is important to note that minimal funding is actually reflected in DOE's budget for Summer Rising, and the vast majority of this program will be administered by the Department of Youth and Community Development. Finally, the budget also supports Mayor De Blasio's signature initiative, 3-K For All, to expand it to every school district by Fiscal 2025, and provides a social worker in every school building to address the social and emotional needs of students.

Fiscal 2022 Enacted State Budget and Federal Stimulus

Department of Education Executive Financial Plan and Actuals by Funding Source: Fiscal Year 2019-2022

<i>Dollars in Thousands</i>	2019	2020	2021	Executive Plan		*Difference
	Actual	Actual	Adopted	2021	2022	2021-2022
Funding						
City Funds	\$13,591,637	14,064,958	\$13,790,411	\$14,704,479	\$13,932,347	\$141,937
Other Categorical	320,083	294,192	168,594	213,656	163,397	(5,197)
State	11,216,706	11,514,481	11,445,882	10,852,730	11,967,177	521,294
Federal - Community Development	1,225	79,175	20,182	172,891	10,508	(9,674)
Federal - Other	1,886,565	2,062,283	2,124,913	3,145,712	5,326,692	3,201,779
Intra City	50,633	51,432	9,979	61,229	25,579	15,600
TOTAL	\$27,066,849	\$28,066,522	\$27,559,961	\$29,150,696	\$31,425,700	\$3,865,739

**The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Executive Plan.*

A mix of City, State, federal and other revenues support the DOE's budget and for Fiscal 2022 federal aid makes up a more significant share of DOE's budget. As shown in the table above,

DOE's projected \$31.43 billion budget for Fiscal 2022 is approximately \$3.9 billion greater than the adopted Fiscal 2021 Budget and most of this growth is in federal aid. City funding also grows, albeit modestly, with the addition of \$1.4 million beginning in Fiscal 2022 for one new program. In Fiscal 2025 the 3-K expansion proposed is supported with a \$377.5 million City finds increase, while federal aid covers the cost from Fiscal 2022 through 2024.

In response to the coronavirus pandemic, the federal government passed three stimulus bills that included funding for localities to safely open and support schools. This includes the Coronavirus Aid, Relief, and Economic Security Act (CARES), passed in March 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), passed in December 2020, and the American Rescue Plan (ARP), passed in March 2021. While New York State used CARES education stimulus to supplant State education aid to localities, CRRSA and ARP allocated \$2.15 billion and \$4.8 billion respectively, or a total of \$6.95 billion directly to DOE, as reflected in the Executive Financial Plan. The federal revenue increase from the CRSSA and ARPA must be spent by Fiscal 2025. Federal stimulus and emergency actions total \$7.39 billion across all fiscal years.

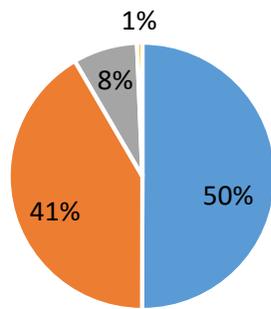
In addition to the large infusion of federal revenue, a multi-year commitment in the State budget to fully fund Foundation Aid will bring state funding in line with what New York City is owed based off the CFE lawsuit. The State's Enacted Fiscal 2022 Budget committed to fully funding the CFE over three years with additional foundation aid revenue totaling \$530 million in Fiscal 2022, \$270 million in Fiscal 2023, and \$270 million in Fiscal 2024. The Executive Financial Plan recognizes changes to all funding sources across the Plan period, as displayed in the table below

Funding Changes in the Executive Financial Plan for DOE

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
City	(\$106.5)	\$20.0	\$25.7	\$21.3	\$206.5
State	(3.2)	(292.8)	(454.6)	(184.2)	7.9
Federal	300.3	3,201.8	1,776.9	1,389.2	726.0
Other	3.8	15.6	0.0	0.0	0.0
TOTAL	\$194.4	\$2,944.5	\$1,348.0	\$1,226.3	\$940.3

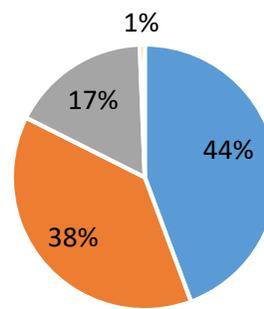
Fiscal 2021 sees an increase of \$300.3 million in federal funding and Fiscal 2022 sees the largest increase with \$3.2 billion in new federal funding. The outyears see their share of federal funding increase from seven percent in Fiscal 2023, Fiscal 2024, and Fiscal 2025 to 13, 11, and 9 percent respectively. These are in comparison to seven percent in Fiscal 2019 and eight percent in Fiscal 2020 for the final DOE in those years funded through federal dollars. The distribution of funds in Fiscal 2022 compared to Fiscal 2021 Adopted Budget is presented in the graphs below.

DOE Budget Shares: FY21 Adopted



■ City ■ State ■ Federal ■ Other

DOE Budget Shares: FY22 Executive



■ City ■ State ■ Federal ■ Other

City Funding

DOE’s Fiscal 2022 Executive Budget includes \$13.93 billion in City funding, approximately 44 percent of the Department’s total budget. This is down from 49 percent even though city funding has increased by \$20 million, less than one percent. The Executive Budget sees a decrease of \$106.5 million in city funds for Fiscal 2021, less than one percent. City funding in the outyears is relatively flat with all years increasing by less than one percent.

State Funding

The State’s Enacted Fiscal 2022 Budget committed to fully funding the Campaign for Fiscal Equity settlement by increasing Foundation Aid by \$1.1 billion over three years. While this commitment from the State is substantial, the DOE’s Fiscal 2022 Budget still shows a decrease in State funding of \$292.8 million. This is because the City’s Financial Plan had included an assumption that the State would meet its CFE obligations in the baseline. The Executive Financial Plan adjusts the State revenue estimate to match the adopted State Budget. State revenue declines \$3.2 million in Fiscal 2021, \$292.8 million in Fiscal 2022, \$454.6 million in Fiscal 2023, \$184.2 million in Fiscal 2024 and increases \$7.9 million in Fiscal 2025.

Federal Funding

With the enactment of the State budget federal funding from the CRRSA and ARP is allocated to New York City which is set to receive \$2.15 billion in K-12 funding from the CRRSA and \$4.8 billion in K-12 funding from ARP. These K-12 dollars from the CRRSA and ARP account for 94 percent of the \$7.39 billion increase in federal funding in the Executive Budget. Fiscal 2022 sees \$3.2 billion of this new federal funding with \$1.11 billion in new programming to address learning loss. Another \$1.75 billion goes to support current programming including a funding swap for school facilities from city to federal funding and correctly aligning the charter school budget, this is detailed under Operation Support later in this report.

Lastly, the Executive Budget uses CRSSA revenue to restore \$214.8 million in one year cuts that were identified in the Fiscal 2022 Preliminary Budget and \$121.6 million in cuts that were baselined in the Fiscal 2021 Adopted Budget.

DOE Budget by Unit of Appropriation

The table below shows DOE’s budget by unit of appropriation (U/A) since Fiscal 2019 and compares the Fiscal 2022 Executive Budget to the Fiscal 2021 Adopted Budget. UAs with

significant budget increases include General Education and Special Education Instruction and School leadership, Charter Schools, Universal Pre-K, Pupil Transportation, and Carter Cases.

Department of Education Financial Plan Summary

<i>Dollars in Thousands</i>	2019	2020	2021	Executive Plan		*Difference
	Actual	Actual	Adopted	2021	2022	2021-2022
Personal Services	\$17,013,464	\$17,306,972	\$17,129,334	\$17,399,877	\$18,640,515	\$1,511,181
Other Than Personal Services	10,053,385	10,759,550	10,430,627	11,750,819	12,785,185	2,354,558
Budget by Unit of Appropriation						
401 - GE Instr. & Sch Ldrshp - PS	\$7,136,173	\$7,086,731	\$6,860,638	\$7,041,604	\$7,268,417	\$407,778
402 - GE Instr. & Sch Ldrshp - OTPS	888,090	772,144	631,911	643,214	697,658	65,748
403 - SE Instr. & Sch Ldrshp - PS	2,083,460	2,158,335	2,164,925	2,221,533	2,450,171	285,246
404 - SE Instr. & Sch Ldrshp - OTPS	4,885	5,377	5,357	5,357	5,625	268
406 - Charter Schools	2,109,148	2,412,937	2,391,568	2,647,278	2,740,363	348,795
407 - Universal Pre-K - PS	567,632	666,931	547,111	573,883	693,837	146,726
408 - Universal Pre-K - OTPS	438,502	405,608	504,619	527,017	785,660	281,041
409 - Early Childhood Programs - PS	62,347	81,765	88,154	91,170	90,842	2,688
410 - Early Childhood Programs - OTPS	21,975	511,451	503,534	508,307	501,507	(2,027)
415 - School Support Orgs. - PS	303,942	330,531	267,067	289,193	280,948	13,881
416 - School Support Orgs. - OTPS	36,149	31,071	19,865	23,449	25,891	6,026
421 - Citywide SE Instr. & Sch Ldrshp - PS	1,301,704	1,345,514	1,222,777	1,261,798	1,387,091	164,314
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	21,521	16,656	23,543	23,543	23,543	0
423 - SE Instructional Support - PS	367,760	388,038	379,066	388,953	482,641	103,575
424 - SE Instructional Support - OTPS	278,814	292,005	294,821	300,731	303,120	8,299
435 - School Facilities - PS	175,376	184,491	180,638	195,579	180,960	322
436 - School Facilities - OTPS	1,026,108	1,032,941	884,565	1,030,023	968,482	83,917
438 - Pupil Transportation - OTPS	1,372,210	1,252,582	1,185,939	1,587,617	1,518,917	332,979
439 - School Food Services - PS	247,544	245,472	236,254	236,193	234,947	(1,307)
440 - School Food Services - OTPS	271,725	224,800	293,921	352,248	295,286	1,365
442 - School Safety - OTPS	395,200	395,184	427,357	427,065	424,933	(2,424)
444 - Energy & Leases - OTPS	541,808	576,478	573,144	606,631	694,844	121,700
453 - Central Administration - PS	222,380	246,903	184,764	188,005	196,138	11,374
	2019	2020	2021	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2021	2022	2021-2022
454 - Central Administration - OTPS	160,559	159,775	110,518	166,509	265,024	154,506
461 - Fringe Benefits - PS	3,604,606	3,696,039	3,952,836	3,837,823	3,932,073	(20,764)
470 - SE Pre-K Contracts - OTPS	734,378	763,424	864,706	864,706	882,706	18,000
472 - Contract Sch/Carters/Foster Care - OTPS	911,860	1,090,833	864,295	1,084,295	1,129,927	265,632
474 - Non-Public and FIT - OTPS	76,493	77,913	95,598	111,557	95,060	(538)
481 - Categorical Programs - PS	940,541	876,223	1,045,103	1,074,144	1,442,449	397,346
482 - Categorical Programs - OTPS	763,958	738,371	755,366	841,272	1,426,638	65,000
TOTAL	\$27,066,849	\$28,066,522	\$27,559,961	\$29,150,696	\$31,425,700	\$3,865,739

*The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Executive Plan.

DOE's Fiscal 2022 Executive Budget increases by \$3.87 billion when compared to the Fiscal 2021 Adopted Budget. As shown in the table above, almost every U/A reflects an increase in spending in Fiscal 2022, with General Education PS (U/A 401), Categorical Programs PS (U/A 481), Pupil Transportation OTPS (U/A 438) and Charter Schools (U/A 406) primarily driving the growth. General Education PS (U/A 401) spending increases by \$407.8 million in Fiscal 2022 when compared to the Fiscal 2021 Adopted Budget. This increase can be attributed to \$317.9 million in federal funding that restores funding for programs previously cut in Fiscal 2021 and new funding for programmatic supports. Of this federal funding, U/A 401 reflects \$117.9 million of

the \$150 million restoration in FSF funding that was proposed in the Preliminary Budget. Categorical Programs PS (U/A 481) also increases significantly in Fiscal 2022 when compared to the Fiscal 2021 Adopted Budget. The increase in Categorical Programs PS in Fiscal 2022 derives primarily from \$250 million in federal stimulus funds to support Academic Recovery and Student Supports, and \$65 million in federal stimulus money for Mental Health Supports, which funds 490 positions in Fiscal 2022. Pupil Transportation OTPS (U/A 438) increases by \$333 million in Fiscal 2022, primarily due to \$240 million for special education bus contracts. The Charter Schools (U/A 406) increase is due to the addition of \$275 million in Fiscal 2022 to align actual spending with budgeted spending. ²

Executive Financial Plan Changes

Only 19 percent, or \$724.6 million of the \$3.87 billion increase to DOE's Fiscal 2022 budget was driven by adjustments made in prior financial plans. The Fiscal 2022 Executive Budget recognizes \$7.39 billion in federal stimulus through Fiscal 2025. This funding is used to support new initiatives and programs, to fill funding gaps in DOE's budget and to replace city funding. Funding for new programs in Fiscal 2022 include 500 million for mental health supports, \$236 million for special education services, \$421.5 million for instructional and programmatic supports, \$9.5 million for community schools expansion, \$22.1 million for special education pre-K expansion, \$12.1 million for restorative justice, and \$5.7 million for Public Schools Athletic League (PSAL) expansion.¹

The Executive Budget introduces just one new need in Fiscal 2022, a \$1.4 million addition for the East Side Coastal Resiliency project. The Executive Budget also categorizes \$376.2 million in City funding in Fiscal 2025 to support the expansion of 3-K as a new need. OMB has indicated for those initiatives that are not funded in the outyears, that it will review adding funding in future financial plans based on revenue projection in the outyears. Major financial plan actions are discussed below. Appendix A shows all budget actions and changes made to the Fiscal 2021 and Fiscal 2022 Budgets since the Adoption of the Fiscal 2021 Budget.

Programs to Address Learning Loss

The transition to remote learning during the pandemic impacted academic growth during the school year and federal stimulus funds seek to not only directly address academic learning as a result of remote learning, but also The following programs were added to the Executive Budget to specifically address learning loss during the pandemic, as well as additional information technology, and special education needs. Total funding for these academic intervention and support programs is \$1.96 billion, or 26 percent of the \$7.39 billion in federal funding added to the Executive Plan. These programs are only funded between Fiscal 2022 and Fiscal 2024, except for instructional supports, and are supported through federal stimulus funds, primarily CRSSA and ARP.

- **Academic Recovery and Student Supports.** The Executive Budget recognizes \$500 million in Fiscal 2022, \$250 million in Fiscal 2023, and \$100 million in Fiscal 2024 for academic recovery and student supports. This funding is entirely budgeted through the categorical programs U/As in school budgets. DOE reports that this funding will provide direct aid to

¹ Of note, while funding to support new and existing programs is typically represented as a new need budget action, the Executive Budget categorizes these federally funded initiatives and expansions as other adjustments.

schools for academic recovery programs and extended learning time, with a focus on vulnerable students who need additional support due to the pandemic. DOE and the Administration will release more information on this programming in the coming weeks.

- **Information Technology Supports.** The Executive Budget adds \$233 million from Fiscal 2021 to Fiscal 2024 to support various information technology efforts including DOE's one stop digital hub and help desk support for students, and expanded Wi-Fi to non-classroom spaces used for instruction. These funds will also pay for LTE service to continue for distributed devices for an additional year at a cost of \$50 million in Fiscal 2022 only.
- **Instructional Supports.** The Executive Budget adds \$220 million in Fiscal 2022 and Fiscal 2023, decreasing to \$82 million in Fiscal 2024, and \$10 million in Fiscal 2025 for instructional supports. This funding is entirely budgeted through the categorical programs U/As in school budgets. The funding is to focus on core instruction in English Language Art (ELA) and math while also providing professional development to teachers. DOE has yet to identify details as to how this funding will be utilized.
- **Special Education Services.** The Executive Budget adds \$236 million in Fiscal 2022 and \$104 million in Fiscal 2023 to provide compensatory services to students in special education who did not receive their legally mandated related services during the pandemic. Of the \$236 million in Fiscal 2022, \$80 million is directly budgeted through the Special Education Instruction and School Leadership PS U/A. Services include speech, occupational, and physical therapy, and will be provided in afterschool settings, Saturday academies, and over the summer.

Other Federally Funded Programs

The remaining \$4.89 billion in new federal stimulus and recovery funding supports a myriad of programs, including expansions of existing DOE programs. The largest area of spending, \$1.94 billion, or 26 percent of the total \$7.39 billion in ARP and CRRSA funds support the Administration key education initiative, 3-K For All. In addition, \$1.36 billion is for various operation supports for schools and staff, with \$1.08 billion of this funding budgeted in Fiscal 2022 as schools prepare to open in the fall.

- **Operational Support.** The Executive Budget adds \$1.36 billion in federal funding to DOE's budget across charter schools, school facilities and categorical programs. In Fiscal 2022 only, \$275 million is added to Charter schools see added to align the budget with actual expenses. School facilities sees an increase of \$548 million in Fiscal 2022 and \$115.5 million in Fiscal 2023. This is part of a net zero revenue swap between city and federal funding with school facilities. The budget action with the matching swap in city funding is under the Funding Adjustment. Categorical programs includes an additional \$176.3 million, of which \$150.6 million is for Fiscal 2022 only. Funding for categorical programs supports teacher recruitment and retention, pays for hard to staff deferential, staff for Minority and Woman-Owned Business Enterprise (MWBE) procurement and reopening costs.
- **3-K Expansion.** The Executive Budget adds \$334 million in federal funding in Fiscal 2022, growing to \$753.5 million in Fiscal 2024 to support the city-wide expansion of 3-K for All. This funding is sustained in Fiscal 2025, however it is split between \$376.2 million in federal revenue and \$376.2 million in city funds. In Fiscal 2021, the Executive Budget adds \$2.7 million for 3-K expansion startup costs. Additionally, the Plan adds funding to support

2,853 new positions by 2025. These positions will include teachers, paraprofessionals, social workers, and other 3-K classroom support staff. DOE will release a Request for Proposals (RFP) to contract with existing Birth-to-Five contractors, including those awarded under the new RFP for providers in the zip codes disproportionately impacted by the pandemic. Currently, 3-K is offered in 12 school districts.

- **Expand Pre-K for All Special Education.** The Executive Budget adds \$22.1 million in Fiscal 2022, \$88.1 million in Fiscal 2023, \$94.6 million in Fiscal 2024, and \$47.2 million in Fiscal 2025 to create 1,300 new special education Pre-K seats by Fiscal 2024. This will expand Pre-K special education seats in DOE district schools as well as in State approved 4410 preschool centers. DOE will release an RFP in Fiscal 2022 to community-based organizations and 4410 providers and will make awards for programming to start in Fiscal 2023. While DOE contests that these contracts will have room for salary enhancements, it is unclear whether or not they will allow for the salary parity of 4410 special education pre-K teachers.
- **Mental Health Supports.** The Executive Budget recognizes \$79.6 million in Fiscal 2022, growing to \$85.8 million in Fiscal 2024 to support school social workers and mental health screenings for students in grades K-12. This funding is entirely budgeted through the categorical programs U/As in school budgets. This funding hires 290 school based social workers, 36 borough based social workers, 90 psychologists, 30 family facing support positions, and restores funding for 74 Single Shepherd guidance counselors.
- **Community Schools Expansion.** The Executive Budget adds \$9.5 million in Fiscal 2022, growing to \$51.2 million in Fiscal 2023 and Fiscal 2024, then decreasing to \$25.6 million in Fiscal 2025 to support the creation of 100 new community schools. This funding is entirely budgeted through the categorical programs U/As in school budgets. This would bring the citywide community school total up to over 400 schools. DOE will release an RFP in Fiscal 2022, while engaging with stakeholders and community based organizations, for programming to commence in Fiscal 2023.
- **Indirect Cost Rate.** The Fiscal 2021 Adopted Budget reduced the Indirect Cost Rate across the board for all agencies, with a \$5.2 million cut to DOE. This funding is fully restored and baselined in the General Education Instruction and School Leadership OTPS budget with federal stimulus.
- **Programmatic Support.** The Executive Budget adds \$2 million in Fiscal 2021, growing to \$201.5 million in Fiscal 2022 to support the following programs:
 - \$2 million for Substance Abuse Prevention and Intervention Specialists in Fiscal 2021 and Fiscal 2022;
 - \$37 million for Learning to Work and Affinity Schools in Fiscal 2022 through Fiscal 2024;
 - \$15 million for additional Public Schools Athletic League (PSAL) support Fiscal 2022 through Fiscal 2024; and
 - \$2.5 million for Department of Youth and Community Development (DYCD) opening fees for summer school in Fiscal 2022.

The entirety of this funding is budgeted through school budgets, with \$145.0 million budgeted in the General Education Instruction and School Leadership PS U/A and the remaining funding flowing through categorical programs.

- **Expand PSAL.** The Executive Budget uses federal stimulus funding to add \$5.7 million in Fiscal 2022, increasing to \$7.1 million in Fiscal 2024 to support the expansion of the Public Schools Athletic League (PSAL). Additional funding is reduced to \$3.5 million in Fiscal 2025. This reduction in the outyears is due to the spending down of federal revenue. This funding is entirely budgeted through the categorical programs U/As in school budgets. OMB has indicated that it expects city revenue projections to increase in the outyears. This will add 200 additional teams to schools who currently do not have a female and male team for all three seasons within a school year. Thirty shared teams will be added so that multiple geographically approximate schools can gain access to additional teams. With this additional funding all school should have access a female and male team for all three seasons. Supports will be provided to D75 schools to provide access to teams and increase participation from those schools. DOE will add 10 staff to support this expansion including one scheduler, one coordinator for D75 schools, two staff dedicated to guidance and student supports and six athletic staff. The Council called on this in its Preliminary Budget Response.
- **Expand Restorative Justice.** The Executive Plan recognizes federal stimulus funding of \$12.1 million in Fiscal 2022, growing to \$14.8 million in Fiscal 2023 and Fiscal 2024 to expand restorative justice practices to all public middle and high schools. This funding is entirely budgeted through the categorical programs U/As in school budgets. The middle school portion of the expansion will be phased in over three years, with a reach of 67 schools in Fiscal 2022, 142 schools in Fiscal 2023, and 185 schools in Fiscal 2024. The high school portion of the expansion will be phased in over two years, reaching 175 schools in Fiscal 2022, and 250 schools in Fiscal 2023. The program at full scale supports 36 budgeted positions for titles such as district coordinators, borough directors, data analysts, a financial operations officer, and a citywide director. Of note, this funding decreases to \$7.4 million in Fiscal 2025. This reduction in the outyears is due to the spending down of federal revenue. OMB has indicated that it expects city revenue projections to increase in the outyears. The Council called for this in its Preliminary Budget Response.
- **Positive Learning Collaborative.** The Executive Budget adds \$5 million in Fiscal 2021 and in Fiscal 2022 to support an expansion of the United Federation of Teachers Positive Learning Collaborative (PLC). This funding is entirely budgeted through the categorical programs U/As in school budgets. The Council currently funds PLC through its Educational Program for Students initiative at a cost of \$1.4 million. PLC provides its partner schools with training in Therapeutic Crisis Intervention in Schools (TCIS) and other behavior modification and restorative justice practices. PLC also support schools administration by developing systems that collect and assess student in performance data, aiding in the implementation of social emotional curriculum and a comprehensive staff training in restorative justice practices.

Funding Adjustments

- **Funding Adjustment.** The Executive Plan includes a series of funding and spending changes that collectively have no impact on DOE's budget. Overall, these changes reduce

City funding in Fiscal 2021 and maintains City funds in Fiscal 2022. In Fiscal 2021, \$357.5 million in City funding for General Education PS is taken down, of which \$100 million is replaced with federal funds. The remaining \$257.5 million in City dollars are redistributed across several U/As. The largest portion of this redistribution is \$249 million for general education and special education bus contracts. In addition, \$13.6 million in City funds are swapped with federal funds to support Universal Pre-K. This additional federal funding brings the net impact of the City funds redistribution to zero in the current fiscal year. In Fiscal 2022, \$548 million in City funds is taken down for School Facilities OTPS and are once again redistributed across other U/As. Of this amount, \$240 million funds special education bus contracts, \$220 million for Carter Cases, and \$88 million for leases. In Fiscal 2023, \$115.5 million in City funds is taken down for School Facilities OTPS to fund special education bus contracts. There is no net impact of the reduction in School Facilities OTPS as this funding is replaced with federal dollars under the Operational Support other adjustment.

- **Mid-Year Adjustment Hold Harmless.** The DOE makes a mid-year adjustment to right size Fair Student Funding (FSF) allocations in two rounds (November and December) to ensure dollars follow students to the schools they enroll in. Individual schools who experience a decline in enrollment are traditionally expected to return the difference in FSF allocation to DOE for the redistribution to schools who demonstrate higher need. However, the pandemic caused an unexpected decrease in enrollment in the 2020-2021 school year of four percent, or 960,000 students across grades 3-K to 12. Schools impacted by the register loss have expressed concern with the mid-year adjustments, as many schools saw an increase in expenses related to remote learning models and have used the entirety of their FSF allocations. In response to the Council's, school, and advocate concerns, the DOE agreed to restore 25% percent of the funding associated with the register loss for one year only. This funding totaling \$130 million is budgeted in the current Fiscal 2021 budget and is budgeted through the General Education Instruction U/A. According to DOE of the \$130 million, \$50 million will be rolled over into Fiscal 2022. This action will be reflected in a future financial plan.
- **Revenue Adjustment.** The Executive Budget adjust state funding level to match the recently enacted State budget. This reduction of \$292.8 million aligns the budget for general education, Universal Pre-K, transportation, and fringe with state funding.
- **CRF Roll.** The Executive Budgets rolls \$35.4 million in unspent CARES act funding from Fiscal 2020 to General Education Instruction and School Leadership in Fiscal 2021.
- **Charter Realignment.** The Executive Budget includes \$27.5 million in additional funding in Fiscal Year 2021 only to align the budget for charter schools with actual spending.
- **Head Start COVID.** The Executive Budget recognizes a \$5.2 million revenue swap in Fiscal 2021 to reconcile CARES revenue for Head start programming.
- **Labor Deferral.** The Executive Budget recognizes a deferral savings of \$4.4 million for L891 Custodial Engineers with several different fund contributions being deferred into Fiscal Year 2023. Fiscal Year 2021 see a deferral of \$2.8 million and \$1.6 million comes from Fiscal Year 2022. A deferral savings of \$1.3 million covering Teamsters L237 and the Civil Service Bar Association from Fiscal 2021 into Fiscal 2022 is included which is made up of deferred welfare contributions.

All Other

- **Collective Bargaining.** The Executive Budget adds a total of \$45.5 million for nine separate collective bargaining agreements in Fiscal 2021 as demonstrated in the table below.

Collective Bargaining in FY22 Executive Budget		
Budget Action	FY21 Cost	Union(s)
Blue Collar Non-Supervisory: Collective Bargaining	\$553	CBU 132
Blue Collar Supervisory: Collective Bargaining	\$4,620	CBU 131
		CBU 004
Civil Service Technical Guild (CSTG): Collective Bargaining	\$13,129	CBU 062
Clericals: Collective Bargaining	\$100,354	CBU128
Collective Bargaining Lump Sum	\$45,418,379	UFT/ CSA
DC37 Collective Bargaining - Engineering & Scientific	\$218	CBU 004
DC37 Collective Bargaining - Non-Supervisory Maintenance	\$1,720	CBU 132
Motor Vehicle Operators: Collective Bargaining	\$909	CBU 134
School Safety DC37: Collective Bargaining	\$1,622	CBU 128
TOTAL	\$45,541,504	

- **ESCR Extended Use.** The Executive budget baselines \$1.4 million annually beginning in Fiscal Year 2022 for the operations and maintenance of various schoolyards and ball fields for alternative recreation sites while East River Park is under construction as part of East Side Coastal Resiliency (ESCR) work. Funding will support operations and management at nine playgrounds at school sites and three ball fields for after school hour, weekend, holiday, and summer access.

Savings Restorations

In response to fiscal uncertainty brought on by the coronavirus pandemic, \$1.44 billion was cut across DOE's Fiscal 2021 and Fiscal 2022 budgets in the last five Financial Plans. From the Fiscal 2021 Preliminary Plan to the Fiscal 2022 Preliminary Plan, a total of \$697.1 million was cut from DOE's Fiscal 2022 Budget. These cuts and reductions impacted many programs such as 3-K for All, Community Schools, FSF, Arts Instruction, Health Education, Professional Development, College Access for All, and other Equity and Excellence programs. Of the \$336.4 million in restorations, \$227.6 million or 68 percent, is budgeted directly through school budgets.

The Fiscal 2022 Executive Budget uses federal stimulus to restore \$214.8 million in cuts proposed in the Fiscal 2022 Preliminary Budget. Additionally, the Executive Budget restores \$121.6 million in cuts in Fiscal 2022 imposed in prior Plans. Of note, \$90.6 million of the \$121.6 million is baselined through Fiscal 2024. OMB has indicated that it expects city revenue projections to increase in the outyears to support these restorations. Programmatic restorations made in the Executive Budget are discussed below.

Fiscal 2021 Restorations

- **Community Schools.** The Fiscal 2021 Adopted Budget cut \$6 million from Community School contracts and did not restore \$3.2 million for 20 Community School Grant Initiative schools (CSGI), leaving Community Schools with a total baselined reduction of \$9.2 million in Fiscal 2021 and in the outyears. These restorations were called for in the City Council's Response to the Fiscal 2022 Preliminary Budget.

- Community Schools OTPS Contracts - The Executive Budget uses federal stimulus to restore the \$6 million through Fiscal 2024. This restoration decreases to \$3 million in Fiscal 2025.
- CSGI - The Executive Budget also uses federal stimulus to restore \$3.3 million for CSGI in Fiscal 2021, and \$3.1 million in Fiscal 2022 through Fiscal 2024. This funding decreases to \$1.6 million in Fiscal 2025.
- **Equity and Excellence Reductions.** The Fiscal 2021 Executive Plan identified and baselined \$54 million in savings in Fiscal 2021 and in the outyears, related to Equity and Excellence for All Initiatives. As called for in the City Council's Response to the Fiscal 2022 Preliminary Budget, the Fiscal 2022 Executive Budget restores and baselines funding for the following programs:
 - \$9.3 million for Algebra for All;
 - \$11.6 million for Single Shepherd;
 - \$19.7 million for the College Access for All initiative;
 - \$9 million for Summer in the City; and
 - \$4.4 million for the District-Charter Collaboration.
- **Expanded Arts Instruction.** The Fiscal 2021 Budget baselined a \$15.5 million reduction to centrally contracted art programs for middle and high schools. The Executive Budget fully restores and baselines this funding.
- **Health Education Works.** A \$1.9 million cut to Health Education Works was baselined in the Fiscal 2021 Executive Plan. This funding is fully restored in the Executive Budget.
- **Air Conditioning.** The Fiscal 2021 Executive Budget reduced spending on the A/C initiative by \$8.3 million in Fiscal 2022 and in the outyears. This funding is fully restored in the Executive Budget.
- **Professional Development.** The Fiscal 2021 Preliminary Budget identified a baselined reduction to professional development of \$31 million. The Executive Budget restores this cut in Fiscal 2022 and Fiscal 2023 only.

Fiscal 2022 Preliminary Budget Cut Restorations

- **Fair Student Funding Reduction.** The Fiscal 2022 Preliminary Budget included a \$150 million reduction to Fair Student Funding (FSF) in Fiscal 2022. The Executive Budget fully restores this cut. FSF serves as the main budget source for most schools and allows principals the discretion to appropriate these funds towards school essentials such as staff, enrichment programs and support staff. FSF allocations are based on the number of students enrolled at each school, the needs of those students and the type of school.
- **3-K Delay.** The Fiscal 2022 Preliminary Plan identified \$43.8 million in savings in Fiscal 2022 only related to the delay of 3-K expansion. In February 2020, DOE and the Administration announced an accelerated 3-K expansion and added District 12 and District 29 to the 2020-2021 roll out, which already included expansion to District 1 and District 14. Of this total restoration, \$9 million is associated with District 12 and \$12 million is associated with District 29. The remaining funding is associated with Districts 1 and 14.

- **Per Session.** The Executive Budget restores \$21 million in per session spending from central offices that was cut at this year’s preliminary budget for Fiscal 2022.

Fiscal 2022 Preliminary Budget Response and Budget Issues

The City Council’s “Response to the Fiscal 2022 Preliminary Budget and Fiscal 2021 Preliminary Mayor’s Management Report” included 34 proposals related to the DOE.² The table below lists the Council’s budget proposals and indicates which were included in the Executive Plan. For more information on the proposals please refer to the City Council’s Response.

Budget Response Proposals in the Executive Budget	Funded in the Plan
Restore 38 Social Worker Positions	Yes
Single Shepherd Guidance Counselors	Yes
Community Schools Restoration	Yes
Restore College Access for All	Yes
100 Percent Fair Student Funding	Yes
Create Community Schools - Restore Community School Funding	Yes
Expand Restorative Justice Practices	Yes
Expand Summer Educational and Recreational Programming - Summer Public School Athletic League (PSAL)	Yes
Budget Response Proposals in the Executive Budget	Funded in the Plan
Expand Summer Educational and Recreational Programming - Universal Summer School	Yes
Expand the Public School Athletic League (PSAL)	Yes
Extend Access to Social and Emotional Supports - Invest in the Mental Health Continuum	Yes
Extend Access to Social and Emotional Supports - Social Workers and Guidance Counselors	Yes
Improve Special Education Services - Compensatory Services	Yes
Improve Special Education Services - Expand Special Education Pre-K	Yes
Offer Small Group Tutoring	Yes
Affinity Schools	Yes
Learning to Work	Yes
Create Community Schools - Make Every School a Community School	Partial
Child Care Contracts	No
Restore and Baseline Urban Advantage	No
Office of Foster Care	No
Create a Citywide Literacy Curriculum & Program	No
Ensure Every School has a Nurse	No
Expand Outward Bound Crew Model	No
Extend Immigrant Family Engagement	No
Hire 52 more Title IX Coordinators	No
Improve Special Education Services - Parity for Special Education Pre-K Providers	No
Improve Special Education Services - Parity for Special Education Pre-K Providers	No
Keep School Playgrounds Open	No
Preserve the City’s Childcare Structure	No
Restore and Expand Student Success Centers	No
Restore and Enhance LGBTQ Curriculum	No
Sustain and Expand NYC Kids RISE Save for College Program	No
Targeted Class Size Reduction	No

² New York City Council Response to the Fiscal Year 2022 Preliminary Budget and Fiscal Year 2021 Preliminary Mayor’s Management Report, available at: <https://council.nyc.gov/budget/wpcontent/uploads/sites/54/2021/04/Fiscal-2022-Preliminary-Budget-Response-1.pdf>.

Budget Response Proposals Fully Funded

- **Fair Student Funding.** The Fiscal 2022 Enacted State budget includes \$1.1 billion in baselined funding over three years, which will allow the City to raise the FSF floor from 90 percent to 100 percent. In addition to raising the FSF floor to 100 percent, the Council called on the Administration to restore a \$150 million cut to FSF in Fiscal 2022. The Executive Budget fully restores this savings.
- **Programmatic Restorations.** As discussed earlier in this report, the Executive Budget restores funding for Single Shepherd guidance counselors and social workers, Community Schools and Community Schools Grant Initiative, College Access for All, Learning to Work, and Affinity Network. However, as these restorations are made using federal stimulus, there are concerns with the available funding for these programs decreasing in Fiscal 2024 and in the outyears.
- **Restorative Justice.** The Executive Budget adds \$14.8 million at full scale to expand restorative justice practices to all middle and high schools. However, this funding decreases by half in Fiscal 2025, thus threatening the stability of the expansion in the outyears.
- **Expand Summer Education and Recreational Activities.** The Executive Budget funds an expansion of PSAL and adds additional funding to support DOE's Summer Education budget. However, the funding for the Summer Education expansion is wrapped into the Academic Recovery allocation and it is unclear what portion of the funding will support summer school programming. Additionally, it is unclear whether this includes an expansion to PSAL over the summer.
- **Extend Access to Social and Emotional Supports.** The Executive Budget adds \$85.8 million at full scale to support 350 new social worker positions. However, even with this expansion, DOE reports 77 schools will not have a full-time in building social worker. Additionally, funding for these positions decrease to \$48.7 million in the outyears.
- **Improve Special Education Services.** While the Executive Budget adds funding to address the need for compensatory services and expands special education pre-K, it does not make significant investments in the outyears to address growth in special education enrollment or need for related services, nor does it make a commitment to ensure parity of 4410 providers and other special education pre-K support staff.
- **Small Group Tutoring.** Through the Administration investment in academic supports DOE will provide direct aid to schools for academic recovery programs and extended learning time, with a focus on vulnerable student populations who need additional support due to the pandemic. Some of this funding will go toward personalized or group tutoring. It is unclear what portion of the \$850 million for these supports will be focused on tutoring and if tutoring will be available through the end Fiscal 2024.

Budget Response Proposals Partially Funded

- **Expand Community Schools.** As discussed in an earlier section of the report, the Executive Budget makes a commitment to create 100 new community schools with a cost of \$51.2 million at full scale in Fiscal 2024. The Council's Budget Response called on the administration to make every school a community school. Additionally, there is concern

that this funding decreases by half in Fiscal 2025, thus threatening the stability of these programs in the outyears.

While, the Executive Budget makes significant investments to support the expansion of special education services, summer education, social and emotional supports, and early childhood, the Council is concerned with the decline in available funding for these initiatives in the outyears. Additionally, there is concern that the Administration has yet to announce plans or a description of how the \$720 million added to Fiscal 2022 for academic recovery and instructional support will be spent.

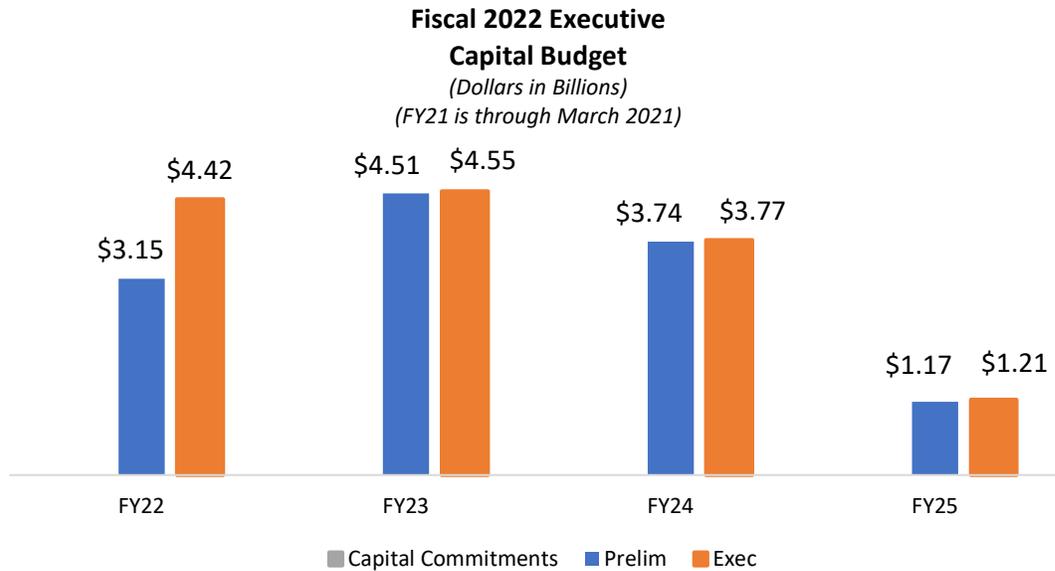
DOE Capital Budget

The City Council Committee on Education reviewed the SCA's Proposed Amendment to the Fiscal 2020-2024 Five Year Capital Plan at a Preliminary Budget hearing with DOE and the SCA on March 23, 2021. Since that hearing, the Proposed Amendment has not been changed and the Panel for Education Policy approved the Proposed Amendment on April 28, 2021. If approved by the Council, the Five Year Plan will be revised to include all budget and plan changes made since the Plan was first approved in June 2019 and February 2021. None of the proposed changes introduced in the Executive Capital Budget are reflected in the Proposed Amendment. This will be the first amendment to the Fiscal 2020-2024 Capital Plan.

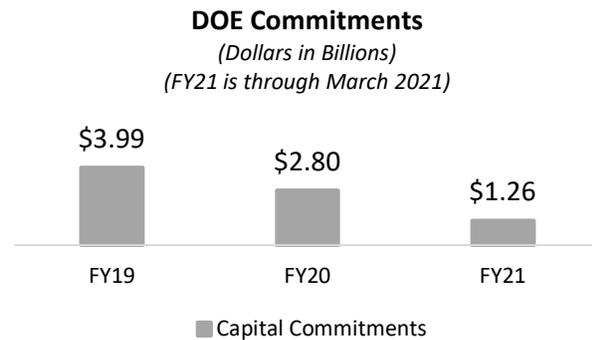
The Fiscal 2022 Executive Capital Commitment Plan adds \$785 million in Fiscal 2022 to fund additional 3-K seats. This increase in the SCA Five Year Plan will come to be reflected in the capacity program, which totaled \$8.92 billion as of the Proposed Amendment. Other significant changes to the SCA Five Year Plan in the Capital Commitment Plan include a transfer of \$30 million in Early Learn leases and \$32.1 million every year for ten years for the purchase of electric school buses. In total these and other minor changes will add \$983.8 to the SCA Five Year Capital Plan when it is next released in November. This will bring the Five Year Capital Plan to \$20.25 billion pending other additions.

Fiscal 2022 Executive Capital Budget

As shown in the figure below, the DOE Executive Capital Budget proposes \$13.95 billion in new appropriations for Fiscal 2022-2025. This represents approximately 21 percent of the City's total \$65.48 billion proposed Capital Budget for 2022-2025. The Executive Capital Budget increases proposed appropriations by \$1.37 billion with \$1.27 billion, or 93 percent, in Fiscal 2022. Changes in proposed outyear appropriations between the Preliminary and Executive Capital Budget are minimal.



This brings Fiscal 2022 proposed appropriations to \$4.42 billion, more than \$400 million greater than the previous peak in annual commitments of \$3.99 billion reached in Fiscal 2019, shown to the right. As is customary, unspent appropriations from Fiscal 2021 will be re-appropriated for Fiscal 2022 at budget adoption.



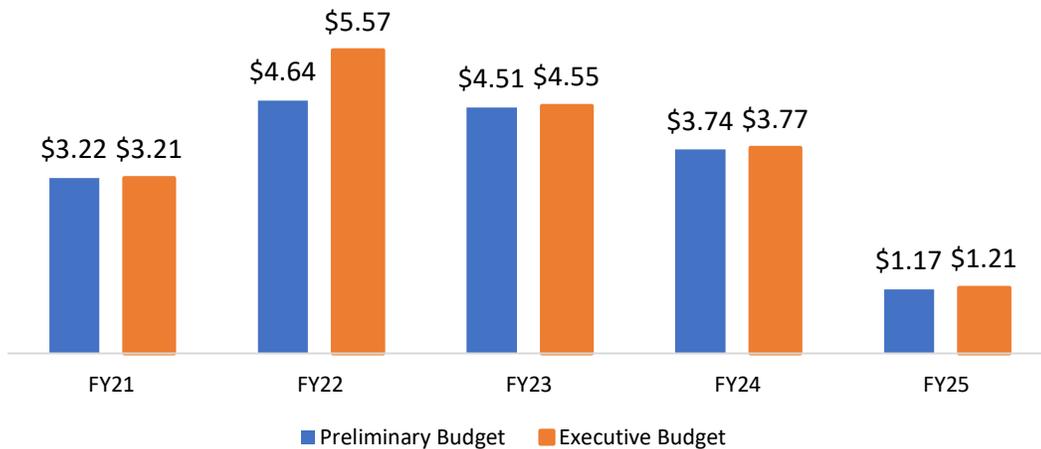
Executive Capital Commitment Plan for Fiscal 2021-2025

The City’s Fiscal 2022 Executive Capital Commitment Plan totals \$93 billion across Fiscal 2021-2025, an increase of \$8.88 billion from the Preliminary Capital Commitment Plan. DOE’s Executive Capital Commitment Plan totals \$18.3 billion, or 20 percent of the total Plan. This is a \$1.02 billion increase over DOE’s Preliminary Capital Commitment Plan, as reflected in the chart on the following page. As previously mentioned, this increase is primarily due to an addition of \$871.2 million to the current SCA Five Year Plan in Fiscal 2022 which accounts for 85 percent of the growth. This primarily funds an additional 6,451 seats at a cost of \$785 million for the Universal 3-K expansion. These seats are in addition to the 1,860 3-K seats currently funded in the SCA Five Year Plan, bringing the total to 8,311 3-K seats. The capital changes in the Executive will be reflected in the November 2022 Proposed Amendment to the Five Year Capital Plan to be released later this year and voted on at the Adoption of the Fiscal 2023 budget. Unlike other city agencies who release a detailed Commitment Plan with itemized projects, the DOE is exempt. The details discussed here regarding project amounts within the same budget line are only made available by contacting OMB, DOE or in some of the narrative text contained in the Mayor’s message. Other increases to DOE’s capital commitment plan include:

- \$39.6 million in Fiscal 2022 for new discretionary capital allocations by Borough Presidents. These allocations are preliminary, and the Borough Presidents can further amend their allocation between the Executive and Adopted budgets; and

- \$32.1 million in all five fiscal years to the current SCA Five Year Plan to purchase a fleet of electric school buses. These buses will be operated by NYCBUS which is a non-for-profit newly established by the DOE to take over operation of bus routes from Reliant Transportation. This funding is also added to the current SCA Five Year Plan. By the end of Fiscal 2030 the entire fleet in operation by NYCBUS will be electric; and
- \$30 million transfer from ACS to DOE in Fiscal 2022 as a result of lease renegotiation for select sites as part of the Early Learn transfer. This funding is also added to the current SCA Five Year Plan; and
- \$19.1 million in Fiscal 2022 of which \$11.6 million will go to retrofitting fixtures for water conservation, with the remaining funds going to synthetic turf with permeable pavers. This addition is to the Plan’s for green infrastructure budget line within DOE.

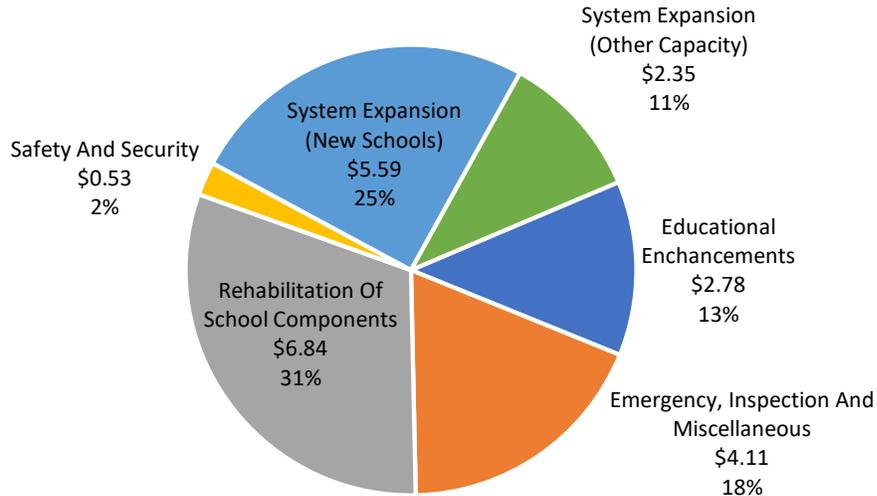
DOE FY21-25 Preliminary vs. Executive Capital Commitment Plan
(Dollars in Billions)



Ten-Year Capital Strategy Fiscal 2022-2031

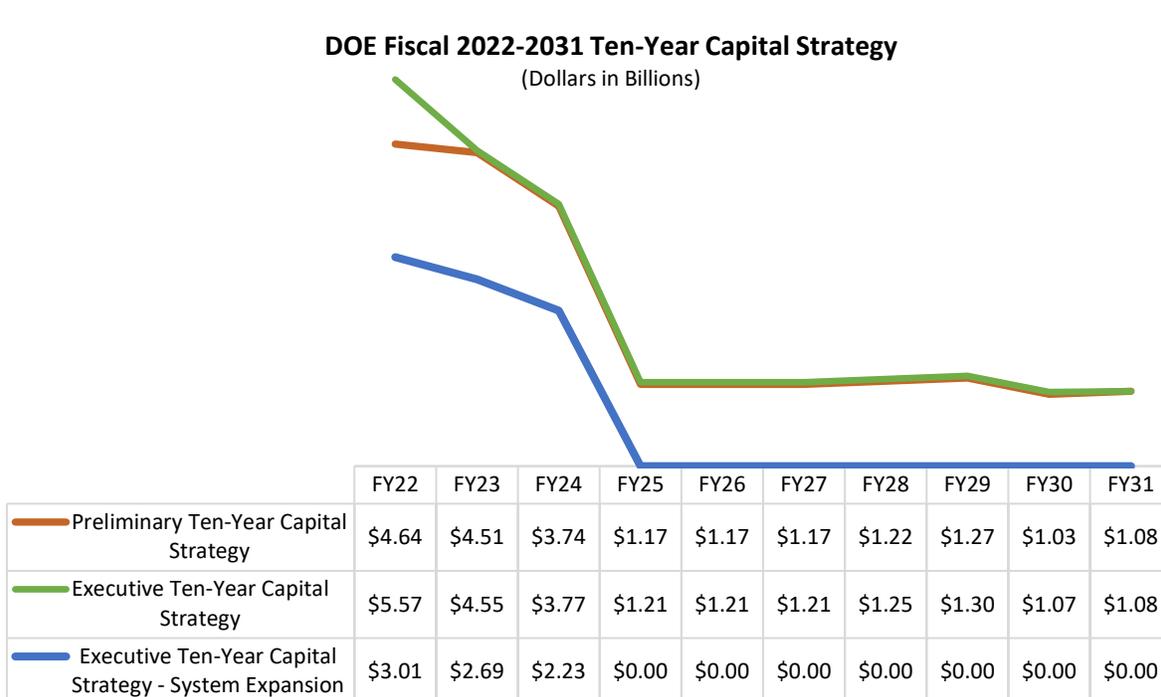
The City’s Ten-Year Strategy totals \$267.49 billion. DOE’s Ten-Year Capital Strategy totals \$22.2 billion, or 16 percent of the City’s total Strategy. This is a \$1.19 billion increase over the Ten-Year capital Strategy presented in the Preliminary Plan for DOE, or a growth of six percent. DOE’s Ten-Year Strategy is broken down into six categories shown in the graph below.

DOE Executive Ten-Year Strategy Categories
(Dollars in Billions)



As outlined in the Council’s Fiscal 2022 Preliminary Budget Response, the Fiscal 2022-2031 Preliminary Ten-Year Capital Strategy presented by the Administration was not true to its name. Many of the Ten-Year Strategy categories have a dramatic decline in planned spending, or no spending, starting in the fourth year of the plan. The Ten-Year Capital Strategy presented as part of the Fiscal 2022 Executive Budget still fails to address planning in the outyears for DOE, as reflected in the chart below. Most striking, there is no planned system expansion, both new schools and other capacity projects, for seven years of the Ten-Year Strategy. As discussed in the next section the SCA’s Proposed Amendment shows several capital projects continuing into Fiscal 2027.

DOE Fiscal 2022-2031 Ten-Year Capital Strategy
(Dollars in Billions)



Additionally, as shown in the chart above, of the \$1.19 increase in the Ten-Year Strategy since the Preliminary budget, \$930 million, or 78%, occurs in Fiscal 2022. The only growth in the Ten-Year Strategy from Fiscal 2023 to Fiscal 2031 is a baselined increase of \$32 million for electric buses that fall within the emergency, inspection, and miscellaneous work category.

Issues with the DOE Capital Plan and SCA Five Year Plan

The City's Capital Budget, Commitment Plan and Ten-Year Strategy should present a picture of each agency's capital needs and the timeline for the execution of those projects. However, for DOE, a few key areas need improvement to provide a clearer picture on the capital needs for the City's schools.

School Capacity Projects

As shown in the previous graphs, there are identical drops in Fiscal 2025 across the Capital Budget, Commitment Plan and Ten-Year Strategy the City budgets no funding for these capacity projects in Fiscal 2025 or onwards. With the release of the Proposed Amendment 20,676 seats are in process or completed of the 57,489 seats funded. The approximate 30,000 seats remaining will not be sited and completed by the end of Fiscal 2024. Additionally, the SCA's Proposed Amendment shows some capacity projects in process set to be complete in Fiscal 2027. According to SCA, this is because it only releases its Capital Plan to cover five-year increments. However, this is not a reason for the City to ignore the available data when estimating actual spending which will occur and have that information properly reflected in the education capital plan.

Capital Budget and Past Commitments

Another area of concern is the ability of the SCA to deliver the \$3.21 billion of projects in Fiscal 2021 and \$5.57 billion in Fiscal 2022 included in the Commitment Plan. As of March 2021, SCA has committed only \$1.26 billion in Fiscal 2021, approximately 39 percent of planned commitments. While the SCA has spent much of this fiscal year restarting its capital portfolio after the State-ordered construction freeze imposed in March 2020, the commitment plan has not been changed to reflect the amount of work that feasibly can be completed by the end of Fiscal 2021.

Education capital projects are no longer affected by the COVID-19 related project freeze and Fiscal 2022 will represent a return to normalcy for capital projects. However, the Commitment Plan shows \$5.67 in planned commitments for Fiscal 2022. If the DOE/SCA were able to achieve this it would mean a 42 percent increase over the previous high of \$3.99 billion commitments in Fiscal 2019.

This unrealistic level of planned commitments impacts the Capital Budget. As of February 28th, the DOE has \$3.96 billion in available appropriations remaining. Most of this will be rolled over at Adoption into Fiscal 2022. Fiscal 2022's proposed budget stands at \$4.42 billion. While lower than the Commitment Plan, this would still represent a 10% increase over the prior high from Fiscal 2019 for commitments.

Education Capital within Fiscal 2022 Preliminary Budget Response

On April 7, 2021 the City Council released its Response to the Fiscal 2022 Preliminary Budget and Fiscal 2021 Preliminary Mayor's Management Report. The Council called for the following capital budget proposals, none of which were addressed in the Fiscal 2022 Executive Budget.

- **Devices for All Students.** In response to the COVID-19 pandemic and the shift to remote learning, the Council’s Fiscal 2022 Budget Response called for \$269.9 million in capital to equip all upper grades students and teachers with personal computing devices as a routine. Remote instruction will likely continue to be used by public schools after the pandemic in many different formats. Purchasing approximately 113,000 digital devices every year over the next three years for a total cost of \$269.9 million would provide each student in the 6th to 12th grade with a device. DOE should also develop a permanent in-house system to track IT inventory and install relevant applications on devices to avoid the need to contract with vendors for device management.
- **Air Condition Non-Classroom Spaces.** The Council’s Fiscal 2022 Budget Response called for \$69 million in capital to expand the A/C for All initiative to non-classroom spaces, with a priority for cafeterias and kitchens. DOE’s Fiscal 2020-2024 Capital Plan allocates \$276 million to the A/C for All initiative, which will bring air conditioning to all instructional spaces.
- **Expand Accessibility in Schools.** The Council’s Fiscal 2022 Budget Response called for \$750 million in capital funding to match DOE’s Fiscal 2020-2024 Capital Plan which allocates \$750 million for school accessibility projects. Doubling this investment would help achieve partial or full accessibility in about half of school buildings from the current target of 33 percent.
- **Install Solar Panels on Schools.** In support of the Council’s Green New Deal and to help achieve the carbon neutral goal for public buildings, the Council’s Fiscal 2022 Budget Response called for \$240 million in capital, or \$80 million for each of the three remaining years of the Commitment Plan, to install solar panels on school roofs. The cost of installing solar panels on schools varies depending on site specific conditions. School Facilities, in coordination with DCAS who currently funds the installation of solar panels on schools, should commence work on school buildings that can easily accommodate panels and provide an assessment of retrofitting work required on other school building roofs before solar upgrades can be completed.

Appendix A: Fiscal 2022 Budget Actions since Fiscal 2021 Adoption

<i>*Added in the FY22 Executive Budget</i>	FY21			FY22		
<i>Dollars in Thousands</i>	City	Non-City	Total	City	Non-City	Total
DOE Budget as of the Adopted FY21 Budget	\$13,790,411	\$13,769,549	\$27,559,960	\$14,130,891	\$14,530,787	\$28,661,678
New Needs						
Academic Resiliency - Mental Health				\$35,210		\$35,210
Carter Cases Adjustment	220,000		220,000			
Learning Bridges	44,900		44,900			
Leases for K-12 and Early Childhood (UPK and 3-K)	58,000		58,000			
School Re-Opening Costs	156,900		156,900			
Transportation Budget Adjustment	200,000		200,000			
*3-K Expansion						
*ESCR Extended Use				1,373		1,373
Subtotal, New Needs	\$679,800	\$0	\$679,800	\$36,583	\$0	\$36,583
Other Adjustments						
*3K Expansion		\$5,210	\$5,210		\$5,210	\$5,210
*Academic Recovery and Student Supports		2,000	2,000		155,000	155,000
*Blue Collar Non-Supervisory: Collective Bargaining	1		1	1		1
*Blue Collar Supervisory: Collective Bargaining	5		5	5		5
*BPA-DOE MOU Bottle Fillers		372	372			
CD Rollover		43,967	43,967			
*Charter Realignment		27,458	27,458			
Charter Revenue		89,798	89,798			
City Council Member Items Reallocation	854		854			
Citywide Discretionary Training Freeze	(180)		(180)			
*Civil Service Technical Guild (CSTG): Collective Bargaining	13		13	13		13
*Clericals: Collective Bargaining	100		100	100		100
Collective Bargaining Lump Sum	357,869		357,869			
*Collective Bargaining Lump Sum	45,418					
Community Meals		57,728	57,728			
*Community Schools Expansion					220,000	220,000
*Community Schools Sustainability					79,580	79,580
*CRF Roll		130,000	130,000			
*DC37 Collective Bargaining - Non-Supervisory						
Maintenance - IC	2		2	2		2
Demand Response		2,141	2,141			
Demand Response Revenue		4,536	4,536			

*Added in the FY22 Executive Budget	FY21			FY22		
<i>Dollars in Thousands</i>	City	Non-City	Total	City	Non-City	Total
*DOE DOHMH Transfer	\$10		\$10			
DOE- FY 21 WORKFORCE PROGRAM		2,741	2,741			
*EDC Transpar Contract	(290)		(290)			
Energy Personnel		1,002	1,002			
E-Rate Revenue		38,385	38,385			
ExCEL Projects		15,549	15,549			
*ExCEL Projects		43	43			
*ExCEL Round 2		3,028	3,028			
*Expand Pre-K for All Special Education		1,000	1,000		1,076,600	1,076,600
*Expand PSAL		5,000	5,000		5,000	5,000
*Expand Restorative Justice		2,000	2,000		201,528	201,528
Family-Facing Support		7,940	7,940			
*Funding Adjustment	(113,600)	113,600				
*Funding alignment	3		3	3		3
FY21_DOE56		25,426	25,426			
GreeNYC Transfer - DOE	155		155			
*Heat, Light and Power	(26,361)		(26,361)	18,593		18,593
*Heating Fuel Adjustment	(9,003)		(9,003)	2,261		2,261
*IC W/ DOE - ANT System		372	372			
*IC W/ DOE - OSH Dental Service		4	4			
IC W/DOE - ANTS		3,125	3,125			
IC W/DOE - SAVOY Medical Kits		384	384			
IC W/DOE- Obesity Taskforce		2,762	2,762			
*Indirect Cost Rate		2,709	2,709		333,997	333,997
*Information Technology Supports					500,000	500,000
*Instructional Support					9,500	9,500
iPad Support and Management		24,913	24,913			
Labor Deferral	(39,762)		(39,762)	39,762		39,762
*Labor Deferral	(2,773)		(2,773)	(1,636)		(1,636)
LAN Cabling expenses		205	205			
Managerial and OJ Furlough	(4,436)	(3)	(4,439)			
Managerial and OJ Furloughs - IC	(9)		(9)			
*Mental Health Support		3,300	3,300		3,100	3,100

<i>*Added in the FY22 Executive Budget</i>	FY21			FY22		
<i>Dollars in Thousands</i>	City	Non-City	Total	City	Non-City	Total
*Mid-Year Adjustment Hold Harmless		\$35,432	\$35,432			
*Motor Vehicle Operators: Collective Bargaining	1		1	1		1
NYC Service: Service in Schools	100		100			
NYC Service: Youth Leadership Councils	50		50			
OEO funding adjustment	50		50			
*OEO Funding Adjustment				289		289
*Operational Support					22,055	22,055
*Positive Learning Collaborative					5,674	5,674
*Programmatic Support					12,099	12,099
Rapid Application Development		12,534	12,534			
RCM Projects		21,175	21,175			
Re-Opening Costs		5,630	5,630			
*Restoration of 3-K Delay				(43,800)	43,800	
*Restoration of Air Conditioning				(8,278)	8,278	
*Restoration of Community Schools OTPS Contract Reduction				(6,000)	6,000	
*Restoration of Comprehensive School Supports				(5,000)	5,000	
*Restoration of E&E Reductions				(54,022)	54,022	
*Restoration of Expanded Arts Instruction				(15,469)	15,469	
*Restoration of Health Ed Works				(1,868)	1,868	
*Restoration of Per Session Savings				(21,000)	21,000	
*Restoration of Professional Development Reduction				(31,000)	31,000	
*Restoration of Temporary FSF Reduction				(150,000)	150,000	
*Retrocommissioning (Rcx)					15,600	15,600
*Revenue Adjustment		(30,655)	(30,655)		(292,813)	(292,813)
SARA Grant		75	75			
*School Safety DC37: Collective Bargaining	2		2	2	236,000	236,002
Solar PV Installation		540	540			
SSA: Collective Bargaining	156		156			
SSBA Adjustment		15,294	15,294			
Take funds back		(50)	(50)			
Vehicle Purchase Freeze	(665)		(665)	(665)		(665)
YMI Funding Adjustment	(43)		(43)			
*YMI Funding Adjustment				(1,057)		(1,057)
Subtotal, Other Adjustments	\$207,667	\$676,668	\$884,335	(278,763)	\$2,924,566	\$2,645,803

<i>*Added in the FY22 Executive Budget</i>	FY21			FY22		
<i>Dollars in Thousands</i>	City	Non-City	Total	City	Non-City	Total
Savings Program						
3-K Delay				(\$43,800)		(\$43,800)
Federal Food Revenue Re-Estimate				(38,000)	38,000	
Per Session Savings				(21,000)		(21,000)
Program Reductions				(40,000)		(40,000)
SONYC Afterschool	(4,000)		(4,000)			
Temporary FSF Reduction				(150,000)		(150,000)
Subtotal, Savings Program	(\$4,000)		(\$4,000)	(\$292,800)	\$38,000	(\$254,800)
Savings Restoration						
*PEG Restorations	\$30,600		\$30,600			
*Restoration of 3-K Delay				43,800		43,800
*Restoration of Air Conditioning				8,278		8,278
*Restoration of Community Schools OTPS Contract Reduction				6,000		6,000
*Restoration of Comprehensive School Supports				5,000		5,000
*Restoration of E&E Reductions				54,022		54,022
Restoration of Expanded Arts Instruction				15,469		15,469
*Restoration of Health Ed Works				1,868		1,868
*Restoration of Per Session Savings				21,000		21,000
*Restoration of Professional Development Reduction				31,000		31,000
*Restoration of Temporary FSF Reduction				150,000		150,000
Subtotal, Savings Restoration	\$30,600		\$30,600	\$336,437		\$336,437
TOTAL, All Changes	\$914,067	\$676,668	\$1,590,735	(198,543)	\$2,962,566	\$2,764,023
DOE Budget as of the Preliminary FY22 Budget	\$14,704,478	\$14,446,217	\$29,150,695	\$13,932,348	\$17,493,353	\$31,425,701