



**Department of
Education**
Chancellor Richard A. Carranza

**Testimony of NYC Schools Chancellor Richard A. Carranza
on the Mayor's Fiscal Year 2019 Executive Budget
Before the NYC Council Committees on Finance and Education**

May 22, 2018

Good morning Chairs Dromm and Treyger and all the members of the Finance and Education Committee here today. It is my pleasure to appear before the City Council for the first time today, and to testify on Mayor de Blasio's Fiscal Year 2019 Executive Expense Budget for NYC public schools. Joining me this morning are Ursulina Ramirez, DOE chief operating officer, Ray Orlando, DOE chief financial officer, and Lorraine Grillo, president and CEO of the NYC Construction Authority, who will discuss the Capital Plan for our schools.

I would like to begin by thanking Speaker Johnson, Chairs Dromm and Treyger, and all of the members of the City Council for your leadership, advocacy, and support of New York City's 1.1 million students and our school communities. I have had the opportunity to work in several urban school districts and work with many elected officials in different municipalities, and New York City elected officials' knowledge and support of their schools is incredibly unique.

Just a few weeks ago, I was proud to stand with the Mayor, Speaker Johnson, both Chairs Dromm and Treyger, and many Council Members to announce the unprecedented \$125 million increase to school budgets. I know the DOE has had a longstanding partnership with the City Council, and I am committed to continuing this collaboration with the Council in the months and years ahead.

Since this is my first time appearing before the Council, I would like to tell you about myself, my career, and why I believe in the power of public education. I am a son of a sheet metal worker and a hairdresser, and a grandson of Mexican immigrants. I grew up in a Spanish-speaking home in Tucson, Arizona. Like so many New York City students, my parents spoke another language at home and I did not learn English until kindergarten. Although my parents never attended college, they knew that the path forward for my twin brother and me included an education. They wanted more for their children—a pathway to college and a career.

My parents were right: public education is the greatest gift I have ever received, and many years ago, I decided to devote my life to it. I started teaching nearly 30 years ago in the same public high school that I attended. I began as a bilingual social studies and music teacher, and later became a high school principal in Tucson and in Las Vegas. I then went on to be a regional superintendent in Las Vegas, and a superintendent in San Francisco, and most recently, in Houston.

This is my eighth week as NYC Schools Chancellor. I spent my first month on a whirlwind listening tour, visiting schools in all five boroughs, where I heard directly from students, parents, educators, administrators, and elected officials about their needs and concerns. In all, I visited more than 30 schools and hosted more than 4,000 students, parents, and employees at 21 town



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halls. What an incredible way to get the pulse of this City, and the nation's largest school system. In total, since I arrived in the City, I have visited over 55 schools. I am proud to be living by my motto: "A chancellor in the field is worth three in the seat back at Tweed."

Among the highlights of my tour were visits to 3-K and Pre-K for All classes in the Bronx with students who were learning about plants. I also visited dual language Spanish and band classes in Brooklyn, an aviation program in Queens, a Community School and Computer Science Fair in Manhattan, and a Future Teachers Academy on Staten Island. Throughout my visits, I've been struck by our educators' commitment to their students, their passion for professional growth, and their willingness to make their classrooms laboratories, not just for academic excellence, but also for social justice.

Most of all, I've been struck by our amazing students and families. At the town halls I hosted, I got the best questions from students: it is clear that they are informed about our school system and the types of services they need to succeed. Parents did not hold back either, sharing their hopes for their children's education.

Across the boroughs, it is also clear that students, parents, and educators believe in the City's Equity and Excellence for All vision and want more: more 3-K for All and Universal Literacy in their communities; more computer science education and AP classes; more arts, bilingual, and career and technical education (CTE) programs; and more social-emotional supports. These are profound investments in our children's future—and in the future of this city.

My key takeaways: our schools are doing a lot of things right, and our stakeholders and the people we serve are aware of the tremendous progress we have made. It is also clear that we have lots of work to do.

As Chancellor, I'm diving headfirst into the work of Equity and Excellence for All, and you're going to hear me speak a lot about key themes. You're going to hear me speak a lot about social justice. You're going to hear me speak a lot about creating positive environments for students and educators, lifting up all children, and empowering parents.

The Administration's Equity and Excellence for All agenda embodies these principles by focusing on putting *every* child on the path to college and careers. We are building a strong foundation early with 3-K, Pre-K, Universal Literacy, and Algebra for All. We are expanding access to rigorous and college-aligned courses, with AP for All and Computer Science for All. And we are providing more support to our students along the way, with College Access for All, Single Shepherd, and Community and Renewal Schools.

NYC public schools are making real progress. Since establishing Equity and Excellence for All, our graduation rate has climbed to 74.3 percent, the highest it has ever been, while our dropout rate, 7.8 percent, is the lowest it has ever been. New York City's students also outperformed the rest of the State in ELA exams for the second year in a row, and our overall improvement outpaced the rest of the State in both ELA and Math. Additionally, a record number of students



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are taking and passing AP exams and are ready to attend college. I am eager to build on this success.

I want to speak briefly about some new investments in the FY 2019 Executive Budget that are going to do just that. The Executive Budget of approximately \$32.3 billion includes \$25.5 billion in operating funds and another \$6.7 billion in education-related pension and debt service funds. Our funding is a combination of City, State, and federal dollars, with City tax levy dollars making up the largest share at 57 percent, State dollars at 37 percent, and federal dollars at 6 percent.

Through the Executive Budget, we are doubling down on our commitment to early childhood education. The budget includes funding to speed up the rollout of 3-K for All. We are bringing the City's 3-K commitment to approximately 19,000 seats in 12 districts by fall 2021—up from 15,000 seats in eight districts in our original plan. We are also investing an additional \$30.5 million in our Universal Literacy initiative, which will expand to every Community School district this fall—specifically, as a result of this investment, we'll add more coaching at the highest-need schools, more targeted training to support ELLs, and we'll double the number of afterschool reading programs for children in shelter. Early literacy is one of the best investments we can make—more of our children reading on grade level today means more young adults succeeding in middle school, high school, and as the New Yorkers of tomorrow.

The Mayor's budget increases funding to \$11.9 million to support schools with a high concentration of students in shelter, including 10 additional social workers in schools serving this population. Our 62 schools with some of the highest population of students in shelter will also continue to receive health and mental health support services, and all students in shelter will continue to receive targeted enrollment supports.

We are also investing \$24 million in an unprecedented, multi-year Health Education initiative modelled on PE Works, which will revitalize health education citywide. We will focus on teacher training and support, so that teachers are prepared to provide age-appropriate, medically accurate, and inclusive instruction. We will significantly increase School Wellness Councils, to engage schools, families, communities, and partners. And we will create model health education schools that meet State requirements and establish best practices for instruction, family engagement, and connection with health services.

As a Social Studies teacher at heart, I am particularly excited that the budget includes funding for our new Civics for All initiative. Yesterday, we held our first-ever citywide Student Voter Registration Day, with the support of the Council and other key partners. I thank those of you who participated yesterday, and I look forward to your continued support as we strengthen civic education across our schools—including new civics education curricula and a new participatory budgeting program where high school students will work together to decide how their schools should spend \$2,000 each year.



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Finally, I'd like to highlight two new investments that are essential to the long-term success of our Equity and Excellence for All agenda. The first is a investment in implicit bias and culturally responsive training over the next four years. Culturally responsive training meets our kids and families where they are, and tailors the way we teach and serve our kids to their unique backgrounds and the experiences they bring into the classroom. We know from experience that teacher training is one of the best investments we can make—if we can better tailor our teaching to the communities we serve, we can improve instruction and outcomes across the board.

The second is the \$125 million annual commitment to ensure that all schools receive at least 90 percent Fair Student Funding (FSF) beginning next school year. As a result, over 800 schools will see increased funding in 2019. More funding means more teachers, guidance counselors, and social workers in schools. As a Manhattan principal succinctly said—when you are a principal, every dollar counts. Every one of these \$125 million counts for our kids, families, and schools. I would like to again thank the City Council for your advocacy, and for helping us make this a reality. We are committed to reaching 100 percent for all schools, but we can only achieve this goal if the State keeps its commitment to fulfill the Campaign for Fiscal Equity settlement. In this school year alone, New York City public school students have been shortchanged \$1.6 billion in State education funds.

I look forward to discussing these new investments as well as our continuing work towards Equity and Excellence for All with the members here today, and into the future. Let's have the tough conversations. Let's talk about school safety; about school segregation and integration; about school climates that support all students, including LGBTQ students; about serving ELL students and students with disabilities; about turning around our historically underserved schools.

As a parent, a man of color, a former teacher and principal, I have always believed that a high-quality education is the great equalizer. A great traditional public education is not only the cornerstone of our democracy it is also the best way to empower the next generation.

I am aware that it will take hard work to continue to move our school system forward. But I also know that, thanks to your efforts—and those of our educators, students, families, and school communities—we are building on a strong foundation. New York City's public schools are a model for the nation. All eyes are on us, and our innovative approach to equity and excellence.

It my honor to serve in this vibrant, diverse, progressive city, and to work alongside each of you as we seek answers to the City's most pressing educational challenges. I am confident that, together, we will help all of our students achieve their full potential.

I thank you again for this opportunity. I will now turn it over to Lorraine Grillo who will update the Committee on the Capital Plan. We will then be happy to answer any questions you may have.



**Testimony of the New York City
School Construction Authority on the FY2019 Executive Capital Budget**

**Before the New York City Council Committee on Finance and the New York City Council
Committee on Education**

May 22, 2018

Lorraine Grillo, President & CEO, School Construction Authority

INTRODUCTION & OVERVIEW

Good morning Chair Dromm and Chair Treyger and members of the Finance Committee and Education Committee. My name is Lorraine Grillo, President and CEO of the New York City School Construction Authority (SCA). I am pleased to be here today to discuss the proposed February 2018 Amendment to the FY2015–2019 Five-Year Capital Plan and changes to our Capital Plan as a result of the Mayor’s Executive Budget, released on April 26, 2018.

I am continually grateful to the City Council for its strong support and generous funding for our schools. The collaboration we’ve had is truly critical to our success and I look forward to continuing our great work together – for all of our students.

Since the Preliminary Budget Hearing in March, we have seen several positive changes, including additional funding for our Capital Improvement Program as well as an increase in the number of sited seats.

Our Capital Investment Program has increased by \$130.5 million, which includes an additional \$125 million in FY 2019 for the Air Conditioning Initiative. I am also happy to report that we were able to increase the number of Queens High School seats by almost 2,000 since the publication of the February 2018 Amendment.

The Panel for Educational Policy (PEP) approved the February 2018 Proposed Amendment on April 25th. I would like to take a moment to briefly talk about the highlights in this Amendment, which the Council will be voting on to approve at the adoption of the FY2019 budget.

FY2015-2019 CAPITAL PLAN AMENDMENT HIGHLIGHTS

Capacity Program

The proposed 2018 Amendment includes \$6.5 billion for the capacity program, an increase of over \$500 million from the 2017 adopted budget. Our capacity program consists of four categories: New Capacity, Pre-Kindergarten Initiative, Class Size Reduction, and Facility Replacement.



Of the \$6.5 billion allocated to Capacity, \$4.8 billion is dedicated to creating more than 44,600 new seats through an estimated 88 projects within school districts experiencing the most critical existing and projected overcrowding. The Amendment identifies a total need of approximately 83,000 seats. Since our February Amendment, we have identified nearly 8,000 additional seats which will bring us to nearly 40,000 total sited seats.

Included in our capacity program is \$872 million for the City's Pre-K for All initiative, an increase of approximately \$70 million from the 2017 adopted budget, which will create almost 8,800 new seats across the City. In addition, \$287 million has been allocated to the Replacement Program. This represents an increase of \$145 million.

Finally, \$490 million is allocated in our Class Size Reduction Program to build additions or new buildings near school buildings that would significantly benefit from additional capacity. This program recognizes the need for targeted investments in areas of the city that may be geographically isolated and have unfunded seat needs. I'm happy to report we have moved into feasibility for three additional sites in School District 27, School District 29, and School District 31.

Capital Investment

The Plan Amendment directs \$6.7 billion for capital investment. Nearly 75 percent or \$4.1 billion will address the buildings identified in our annual building survey as most in need of repairs, such as roof and structural work, safeguarding our buildings against water infiltration, and other facility projects. The Capital Investment category also includes funding for upgrades to fire alarms, public address systems, and removal of Transportable Classroom Units (TCU).

More specifically, \$395 million has been allocated to remove TCUs and redevelop the yard space where the TCUs had been located. To date, we have removed 171 TCUs and have developed plans to remove 84 more, leaving a remaining balance of 99 TCUs not yet slated for removal. It is important to note that the removal schedule is contingent upon capacity constraints within the area and the input of local school communities.

Also included in our Capital Improvement program is our work to enhance school accessibility. Working in collaboration with the NYC Department of Education, we have completed or are in the process of completing 30 projects in 28 school buildings across the City, positively impacting over 31,200 students. Currently, over 940 buildings in our system are either fully or partially accessible.

Over 25 percent, or \$1.7 billion, will go toward school enhancement projects. The two main programs in this category are Facility Enhancements and Technology.

Included in our Capital Investment Program is funding to support our Citywide effort to ensure air conditioning in all classrooms. In order to complete this work by 2022, and provide thousands of students with a more comfortable learning environment, the Capital Plan allocates \$175 million in funding to support this initiative. As I previously mentioned, the City has added an additional \$125 million in FY19 to our Capital Plan for these electrical upgrades.



Mandated Programs

The Mandated Programs category, with \$3.4 billion allocated, includes approximately \$750 million for boiler conversions in approximately 110 buildings currently using Number 4 oil. The remaining funds are assigned to cover other required costs, including insurance and completion of projects from the prior Plan. Additionally, our work to remove and replace all polychlorinated biphenyl (PCB) containing lighting fixtures was completed under this program funding.

CONCLUSION

We understand that the public school system as a whole continues to experience pockets of overcrowding, and we are working to address these concerns through new school construction. We remain focused on remedying these issues and will continue to rely on your feedback and support as we do so.

Our annual capital planning process has already benefited significantly from your input, and our students have benefited from your generous support of capital projects. With continued collaboration and tens of thousands of seats slated to come online over the next five to seven years, we remain confident that the expansion and enhancement of school buildings across the five boroughs will improve the educational experiences for the City's 1.1 million school children as well as the teachers and staff who serve them.

Thank you again for allowing me to testify today and I would be happy to answer any questions you may have.

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