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**Report to the Committee on Finance and the
Committee on Education on the Fiscal 2023
Executive Plan and the Fiscal 2023 Executive
Capital Commitment Plan
Department of Education**

May 10, 2022

(Report Prepared by Chelsea Baytemur and Masis Sarkissian)



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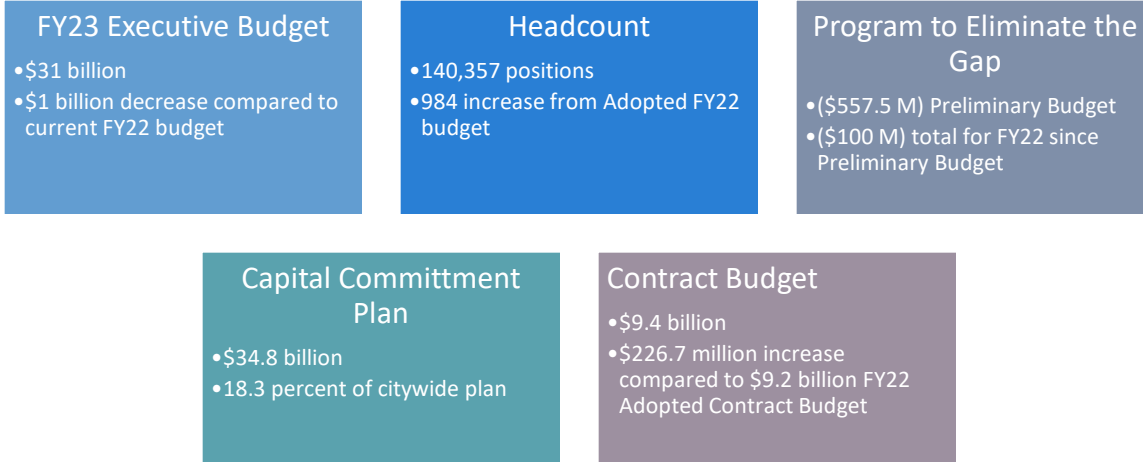
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DOE Fiscal 2023 Executive Budget Snapshot



Budget Response

Council Priorities

- \$59 million for Citywide expansion of school-wide restorative justice practice
- \$30 million for pay parity for special education pre-K providers
- \$21 million to extend pay parity to day care directors
- \$14.1 million to hire additional mental health, career counseling and guidance counselors
- \$12 million for DOE to hire community coordinators
- \$12 million to provide additional supports to English Language Learners
- \$10.3 million to expand Career and Technical Education
- General Call to fund one additional staff for the Office of Foster Care
- General Call to fund Summer Rising
- General Call to Fund Arts and Music Education

New Needs

Other Significant New Needs

- \$2 million for Extended Use Fee Waivers

Other Adjustments

Adjustments in the Executive Budget

- \$229.7 million in increased revenues from State Enacted Budget in Fiscal 2023
- \$209.1 million in Federal Stimulus reallocated to other programs within Fiscal 2023
- \$111.6 million in Federal Stimulus reallocated to other programs within Fiscal 2024
- \$60.9 million in reduced federal spending from Head Start budget rightsizing
- \$21.8 million for Heat, Light, and Power in Fiscal 2022, \$31.6 million in Fiscal 2023 and outyears

Major Agency Issues

Agency Issues Identified

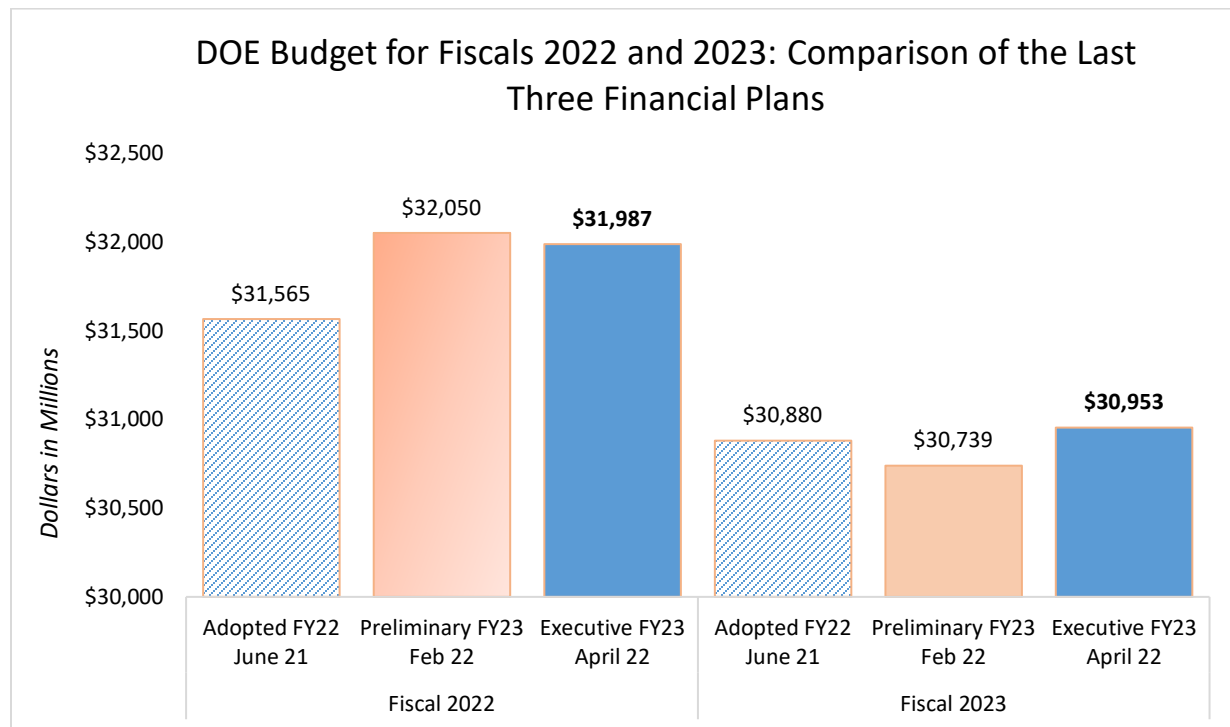
- Underbudgeting for Carter Cases
- Underbudgeting for Special Education Bus Contracts
- Fiscal 2025 uses \$515.4 million in federal stimulus which expires prior to Fiscal 2026 to fund ongoing programming with no revenues identified to replace the federal funds for Fiscal 2026
- PEGs totalling \$87.6 million impacting air conditioning, school supports, E&E, arts instruction, and Health Ed Works were restored utilizing federal Covid stimulus funding. These funds expire in Fiscal 2025 when the City will have to locate other funding to prevent further reductions.

DOE Budget Overview

On April 26, 2022, the Administration released the Executive Financial Plan for Fiscal 2022-2026 (Executive Plan) with a proposed budget for Fiscal 2023 of \$99.65 billion. This report offers a review of the Department of Education (the Department or DOE) Fiscal 2023 Executive Budget, including proposed budget actions taken in the Executive Plan. For additional information on DOE’s Preliminary budget, please refer to the Fiscal 2023 Preliminary Budget report at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/DOE.pdf>

DOE’s projected Fiscal 2023 budget of \$30.95 billion represents 31.1 percent of the City’s proposed Fiscal 2023 budget in the Executive Plan. DOE’s proposed Fiscal 2022 budget is \$31.98 billion, or 1.3 percent, larger than the agency’s Fiscal 2022 Adopted Budget (\$31.57 billion).

DOE’s Fiscal 2023 budget increased by \$213.7 million (0.7 percent), from the Preliminary Plan (\$30.74 billion). The net increase is the result of a number of actions taken, most significant of which are a \$134.2 million Charter school revenue adjustment, a reallocation of \$309.1 million in federal stimulus, \$176 million for the Summer Rising expansion, \$33.4 million for a career pathways expansion, and \$49 million for contracted nursing. These, amongst other changes, are discussed in detail later in this report.



Personal Services and Headcount

DOE’s Fiscal 2023 budget in the Executive Plan is \$612.5 million less than its Fiscal 2022 Adopted Budget. In the Executive Plan, funding for DOE’s personal services (all agency staffing related expenses) is \$18.27 billion or 59.6 percent of the agency’s total Fiscal 2022 budget. This number

increases to \$18.46 billion, remaining at 59.6 percent of the agency's budget in Fiscal 2023. When compared to the Fiscal 2022 Adopted Budget, the Executive Plan reduces DOE's personal services spending by \$206.1 million in Fiscal 2023. The Executive Plan includes funding for 141,218 full-time positions (pedagogical and non-pedagogical) in the current fiscal year, decreasing to 140,357 in Fiscal 2023. The current plan represents a reduction in agency headcount of 984 positions in Fiscal 2023 when compared to the agency headcount at Adoption. The Executive Plan reduces full-time pedagogical positions in Fiscal 2023 by 1,046, and increases non-pedagogical positions by 62 in Fiscal 2023 when compared to the Fiscal 2022 Adopted Budget. Information on these changes, by unit of appropriation, are discussed later in this report.

DOE Spending and Headcount

<i>Dollars in Thousands</i>	2020	2021	2022	Executive Plan		*Difference
	Actual	Actual	Adopted	2022	2023	2022 - 2023
Spending						
Personal Services	\$17,306,972	\$17,044,118	\$18,661,545	\$18,273,348	\$18,455,462	(\$206,083)
Other Than Personal Services	10,759,550	11,500,963	12,903,866	13,707,715	12,497,480	(406,386)
TOTAL	\$28,066,522	\$28,545,081	\$31,565,411	\$31,981,062	\$30,952,941	(\$612,469)
Budgeted Headcount						
Full-Time Positions - Pedagogical	121,077	119,210	127,938	127,815	126,892	(1,046)
Full-Time Positions - Non-Pedagogical	13,607	13,173	13,403	13,403	13,465	62
TOTAL	134,684	132,383	141,341	141,218	140,357	(984)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.

Funding Sources

DOE's budget is financed by City funds as well as federal, state, other categorical, and intra-city funding. In the current Financial Plan, the Department's primary funding source is City funding. City funds comprises 42.9 percent (\$13.7 billion) of DOE's total funding in the current fiscal year, down from the 44.6 percent (\$14.1 billion) of the Department's budget financed by City funding in the Adopted 2022 budget. City funds comprises 46.7 percent (\$14.4 billion) of the Department's Executive Plan for Fiscal 2023.

The \$68.9 million decrease in DOE's Fiscal 2022 budget and \$213.7 million increase in its Fiscal 2023 budget between the 2023 Preliminary Budget and the 2023 Executive Plan is primarily the result of modifications to federal funding, State funding and City funding. These changes include:

Federal Funding

Federal funding increases by \$40 million in Fiscal 2022 and decreases \$61 million in Fiscal 2023 when compared to the Preliminary Plan.

- The Fiscal 2022 budget growth is a result of \$26.1 million in federal community development funds being rolled into Fiscal 2022, and an additional \$100 million for the

Emergency Connectivity Fund, which are offset by reductions in American Rescue Plan Act funding, Head Start revenue adjustments, and Medicaid revenue adjustments.

- The Fiscal 2023 decrease in federal funding is a result of a \$61 million adjustment in Head Start revenue.

State Funding

State funding decreases by \$30.7 million in Fiscal 2022 and increases by \$229.7 million in Fiscal 2023 when compared to the Preliminary Plan.

- The Fiscal 2022 decrease in State funding is a result of an \$87.3 million State Aid adjustment and \$35.3 million in unspent Smart Schools Bond Act (SSBA) funds being moved into Fiscal 2023. These decreases are offset partly by an \$83.6 million increase in transportation revenue.
- The Fiscal 2023 State funding increase is a result of \$134.2 million in additional charter revenue, \$60.2 million from a State Aid adjustment, and \$35.3 million as a result of unspent SSBA funds rolled from Fiscal 2022.

City Funding

City funding decreases by \$82.4 million in Fiscal 2022 and increases by \$45 million in Fiscal 2023 when compared to the Preliminary Plan.

- The Fiscal 2022 City funds decrease is a result of the Program to Eliminate the Gap (PEG) in the Executive Plan which includes \$100 million of reductions in DOE's budget. City funding also decreases in Fiscal 2022 due to a \$4.2 million revenue adjustment. These decreases are offset partially by a \$21.8 million increase in heat, light and power expenses.

The Fiscal 2023 City fund increase is a result of \$31.6 million of additional funding for heat, light and power, \$10.2 million from a transfer of Summer Youth Employment Program (SYEP) funding, and \$2 million for extended use fee waivers and other minor actions.

Additional information regarding each of these revenue changes is presented later in this report under "Changes Since the Preliminary Budget by Spending Type".

See Appendix A for a complete list of all changes reflected in DOE's Fiscal 2022 and 2023 budgets since Adoption.

DOE Budget by Funding Source

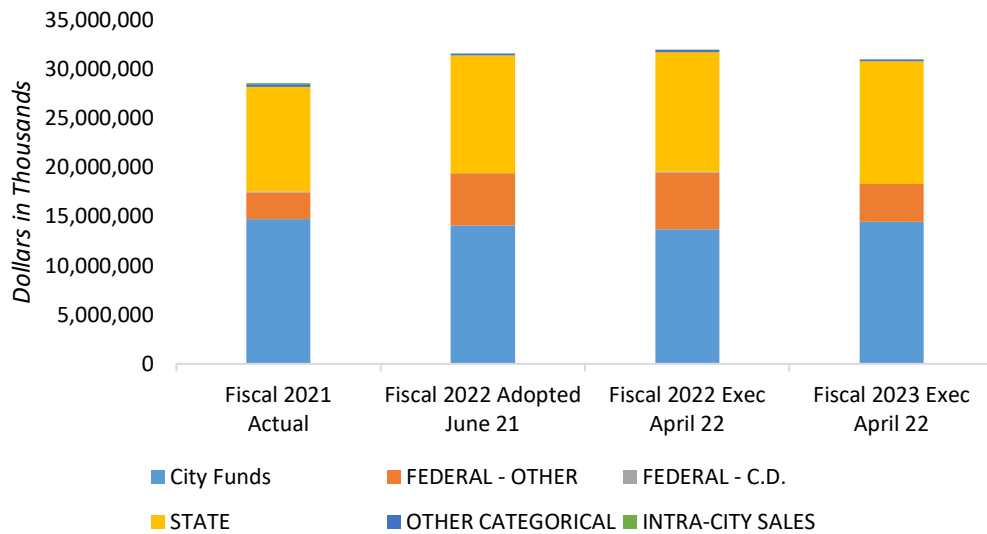


Table 2: DOE Funding Sources

Dollars in Thousands	2021	2022	Executive Plan		*Difference
	Actual	Adopted	2022	2023	2022 – 2023
Funding					
City Funds	\$14,709,274	\$14,065,033	\$13,720,173	\$14,440,940	\$375,906
Federal – Other	2,712,825	5,331,717	5,730,896	3,840,537	(1,491,180)
Federal – CD	115,286	10,508	95,591	10,408	(100)
State	10,667,114	11,969,177	12,190,527	12,487,681	518,504
Other Categorical	277,808	163,397	169,509	163,397	0
Intra-City	62,774	25,579	74,366	9,979	(15,600)
TOTAL	\$28,545,081	\$31,565,411	\$31,981,062	\$30,952,941	(\$612,469)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget

Program Area Budgets

In order to provide for better transparency within agency budgets, in 2007 at the behest of the City Council, the Administration began providing agency budgets broken down by program areas for fifteen of the City’s agencies. The programmatic budgets provide a summary of planned spending in each functional area of an agency. DOE is not one of the agencies for which the Administration provides a program budget, rather the Department’s expense budget is organized by units of appropriation (U/A), each of which represent a function of the Department as seen in the table below. The following Financial Summary disaggregates DOE’s budget by U/A.

Table 3: Budget by U/A

<i>Dollars in Thousands</i>	FY20	FY21	FY22	Executive Plan		*Difference
	Actual	Actual	Adopted	FY22	FY23	FY22-FY23
Budget by Unit of Appropriation						
General Ed. Instr. & Sch Ldrshp - PS	\$7,086,731	\$6,950,629	\$7,232,267	\$7,096,697	\$6,986,319	(\$245,948)
General Ed. Instr. & Sch Ldrshp - OTPS	772,144	811,906	738,138	851,175	656,640	(81,498)
Special Ed. Instr. & Sch Ldrshp - PS	2,158,335	2,199,466	2,370,171	2,294,159	2,577,056	206,885
Special Ed. Instr. & Sch Ldrshp - OTPS	5,377	6,133	5,625	9,456	9,825	4,200
Charter Schools	2,412,937	2,639,780	2,740,363	2,904,850	2,957,677	217,314
Universal Pre-K - PS	666,931	641,100	693,837	700,715	763,582	69,745
Universal Pre-K - OTPS	405,608	443,547	785,660	785,660	869,260	83,601
Early Childhood Programs - PS	81,765	78,606	90,850	80,577	91,043	192
Early Childhood Programs - OTPS	511,451	477,405	502,671	493,570	442,664	(60,007)
School Support Orgs. – PS	330,531	320,292	271,018	258,471	268,940	(2,078)
School Support Orgs. – OTPS	31,071	17,627	26,809	23,309	20,809	(6,000)
Citywide SE Instr. & Sch Ldrshp - PS	1,345,514	1,260,856	1,309,091	1,344,724	1,402,594	93,503
Citywide SE Instr. & Sch Ldrshp - OTPS	16,656	15,306	23,543	25,220	23,543	0
Special Ed. Instructional Support - PS	388,038	387,329	404,646	394,766	432,309	27,663
Special Ed. Instructional Support - OTPS	292,005	215,260	303,120	303,120	303,120	0
School Facilities - PS	184,491	185,396	181,123	179,740	179,836	(1,287)
School Facilities - OTPS	1,032,941	1,117,139	1,089,292	1,126,948	943,420	(145,872)
Pupil Transportation - OTPS	1,252,582	1,544,913	1,517,232	1,676,676	1,630,362	113,130
School Food Services - PS	245,472	226,499	234,947	234,952	234,952	4
School Food Services - OTPS	224,800	154,258	295,286	303,624	295,286	0
School Safety - OTPS	395,184	364,197	424,933	385,802	389,445	(35,488)
Energy & Leases - OTPS	576,478	605,406	694,844	728,794	652,843	(42,001)
Central Administration - PS	246,903	248,088	190,861	180,386	173,632	(17,229)
Central Administration - OTPS	159,775	169,764	117,533	163,211	117,164	(369)
Fringe Benefits - PS	3,696,039	3,627,271	3,917,891	3,802,553	3,879,994	(37,897)
Special Ed. Pre-K Contracts - OTPS	763,424	729,636	882,706	882,706	929,192	46,486
Contract Sch/Carters/Foster Care - OTPS	1,090,833	1,215,571	1,129,927	1,129,927	909,927	(220,000)
Non-Public and FIT - OTPS	77,913	84,187	95,719	84,494	114,759	19,040
Categorical Programs - PS	876,223	918,586	1,764,842	1,705,608	1,465,205	(299,637)
Categorical Programs - OTPS	738,371	888,930	1,530,466	1,829,172	1,231,543	65,000
TOTAL	\$28,066,522	\$28,545,081	\$31,565,411	\$31,981,062	\$30,952,941	(\$612,469)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.

As demonstrated in the table above, the majority of the difference between DOE's adopted Fiscal 2022 budget and its Fiscal 2023 budget as presented in the Executive Plan is the result of decreases in a number of U/As. Notable changes in DOE's Fiscal 2023 budget include reductions in Categorical Programs PS, Contract Schools/Carters/Foster Care OTPS, General Education Instruction- PS, and School Facilities OTPS. These four U/As experience an aggregate decrease of \$911.5 million, and account for 149 percent of the net decrease between Fiscals 2022 and 2023. The reduction in DOE's budget is partially offset by the addition of \$217.3 million in Fiscal 2023 within Charter Schools and \$206.9 million in Fiscal 2023 for Special Education Instruction – PS.

The majority of the changes are driven by actions introduced in the Fiscal 2023 Preliminary Plan.¹ Below is a discussion of the most significant funding changes made to DOE's budget by U/A as of the Executive Plan. A discussion of changes made to DOE's budget solely in the Executive Plan is included in a later section of the report.

DOE's Budget as of the Executive Plan.

- **Categorical Programs – PS.** Funding for personal services costs within Categorical Programs (programs funded primarily with federal or state funding) is \$299.6 million less in Fiscal 2023 than it was in Fiscal 2022 at adoption last year. This variance includes a \$297.2 million reduction to the paraprofessional per-session budget, funded through the American Rescue Plan Act (ARPA). Additionally, the budget reflects a reduction of \$60 million for paraprofessional per-session reimbursement support. The Executive Plan also recognizes a reduction of \$1.4 million in the Office of Community Schools. The significant change made to this U/A in the Executive Plan is a shift of federal stimulus funding that results in \$19.2 million being moved to Categorical Programs – OTPS to fund a number of Chancellor priorities. This adjustment is discussed in further detail in a later section of this report.
- **Contract Schools/Carters/Foster Care – OTPS.** The \$220 million difference in budgeted amounts for Contract Schools/Carters/Foster Care OTPS between Fiscal 2022 adoption and the amount budgeted for Fiscal 2023 is entirely the result of differences in funding for DOE's Carter case budget. The Executive Budget includes \$387.5 million in Fiscal 2023 for Carter Cases, \$220 million less than the current budget for Fiscal 2022. Carter Cases are lawsuits in which the DOE ordered to reimburse parents for the tuition costs of sending their special needs children to private school for whom a public school placement is proven to be inadequate. DOE's Carter Case budget has posed a year-over-year budget risk to the Department, as the Council identified in its Report on the Fiscal 2023 Preliminary Plan.
- **General Education and Instruction—PS.** The decrease of \$245.9 million for General Education Instruction and School Leadership OTPS between the amount budgeted for Fiscal 2022 at adoption last June and the amount in the Executive Budget for Fiscal 2023 is primarily the result of a \$291.5 million reduction in planned expenditure related to enrollment changes. This reduction is offset partially by an additional \$160 million of federal stimulus funding that mitigates a portion of the enrollment change reduction over three fiscal years. The Executive Plan further reduces funding in this area by a net \$18.8 million, primarily resulting from an adjustment to State Aid.

Changes Since the Preliminary Budget by Spending Type

At each financial plan an agency will submit changes to its budget from the prior plan. These changes are comprised of new needs that have not previously been included in their budget, other adjustments to existing spending (these adjustments can involve adding additional funding

¹ For more information, please refer to the Councils' report on the Fiscal 2023 Preliminary Budget Report. Available here: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/DOE.pdf>

or removing funding), savings programs which provide additional resources either through reduced spending or increased revenue, and savings restorations which include the restoration of expenditures that had been reduced in prior financial plans.

The summary of all changes made to DOE's financial plan since Adoption can be found in Appendix A.

New Needs

DOE's Executive Budget includes \$2 million of new needs in one area.

- **Extended Use Fee Waivers (\$2 million in Fiscal 2023).** The Executive Budget includes \$2 million in additional funding to fund fee waivers for groups requesting to use school space who cannot afford the extended use fee.

Other Adjustments

DOE's Executive Budget includes a reallocation of \$420.7 million in federal stimulus funding for new Chancellor priorities: \$309.1 million reallocated in Fiscal 2023, \$111.6 million reallocated in Fiscal 2024. These reallocations have a net zero effect on overall federal funding amounts within each fiscal year, and only present a shift in programmatic funding.

The previous areas where federal stimulus was originally allocated in the Fiscal 2022 Executive Budget remained unchanged through the Fiscal 2023 Preliminary Budget. Listed in the table below alongside the new funding levels in the Fiscal 2023 Executive Budget.

	FY23 Prelim		FY23 Exec		Change	
	FY23	FY24	FY23	FY24	FY23	FY24
<i>Dollars in Millions</i>						
Operational Support	\$235.2	\$43.3	\$205.3	\$38.3	(\$29.9)	(\$5)
Academic Recovery and Student Supports	250	100	39.8	13.4	(210.2)	(86.6)
Curriculum Supports	220	82	186.0	62	(34)	(20)
IT Supports	70	6	35.0	6	(35)	0
Total	\$775.2	\$231.3	\$466.0	\$119.7	(\$309.1)	(\$111.6)

The budget actions below entail the full scope of new programming being funded through this reallocation effort. Several of these programs are areas in which the Council called for additional funding in its Preliminary Budget Response (discussed in the following section of this report).

- **Bilingual Education Expansion.** The Executive Budget includes \$11.2 million in Fiscal 2023 and \$13.2 million in Fiscal 2024 to provide funding to launch 50 new bilingual education programs.
- **Contracted Nursing.** The Executive Budget includes \$49 million in Fiscal 2023 for contracted nurses.
- **Digital Learning.** The Executive Budget includes \$10.2 million in Fiscal 2023 and \$13.4 million in Fiscal 2024 to increase access to coursework and enhance internal DOE digital systems.

- **Gifted and Talented.** The Executive Budget includes \$1.9 million in Fiscal 2023 and \$4.8 million in Fiscal 2024 to add 100 new kindergarten and 1,000 new third-grade gifted and talented seats.
- **Literacy and Dyslexia Screening.** The Executive Budget includes \$7.5 million in Fiscal 2023 and \$7.8 million in Fiscal 2024 to launch two new dyslexia schools in District 5 and 7.
- **Parent and Family Engagement.** The Executive Budget includes \$13.8 million in Fiscal 2023 and \$3.8 million in Fiscal 2024 to enhance the Family and Community Engagement office by hiring community coordinators from underrepresented communities.
- **Pathways Expansion.** The Executive Budget includes \$33.4 million in Fiscal 2023 and \$52.3 million in Fiscal 2024 to increase the number of Career and Technical High Schools by 25.
- **Safe Supportive Schools.** The Executive Budget includes \$9.2 million in both Fiscal 2023 and Fiscal 2024 to contract with community-based organizations that specialize in violence interruption techniques.
- **Summer Rising.** The Executive Budget includes \$176 million in Fiscal 2023 to provide 110,000 Summer Rising slots for K-12 students during the summer. These funds are in addition to funding in the Department of Youth and Community Development (DYCD), totaling \$842,314 in Fiscal 2022 and \$101.1 million each year from Fiscal 2023 through Fiscal 2026.
- **Translation and Interpretation.** The Executive Budget includes \$7.1 million in both Fiscal 2023 and Fiscal 2024 to improve response times for families requesting translation and interpretation services.

DOE's Executive Budget is \$31.1 million greater in Fiscal 2022, \$211.7 million greater in Fiscal 2023, and \$146.3 million greater in the outyears as a result of a number of other adjustments. In total, other adjustments increase DOE's budget by \$681.8 million in Fiscal 2022 through Fiscal 2026.

Some of the major other adjustments not related to federal stimulus include the following.

- **Charter Revenue Adjustment (\$134.2 million in Fiscal 2023 and the outyears).** The Executive Budget increases the baseline budget for charter schools by \$134.2 million in state funds for Fiscal 2023 and in the outyears. This brings the budget for charter schools in line with both current state law and projections. Historically, DOE would make a large one-year adjustment every year after the State budget passed.
- **Revenue Update (\$83.6 million in Fiscal 2022).** The Executive Budget increases State funding for transportation aid by \$83.6 million in Fiscal Year 2022 to bring the budget in line with revenues reflected in the enacted Fiscal 2023 State Budget.
- **State Aid Adjustment (\$87.3 million less in Fiscal 2022, \$40.7 million increase in Fiscal 2023 and the outyears).** The Executive Budget reflects a \$40.7 million baseline increase in State funding from Other School Aid as a result of the enacted State Budget. In Fiscal 2022, the Enacted 2023 State Budget reduced these aids by \$87.3 million.

- **SSBA Roll (\$35.3 million rolled from Fiscal 2022 into Fiscal 2023).** The Executive Budget includes a roll of \$35.3 million in State funding from the Fiscal 2022 budget into Fiscal 2023 to support technology and hardware needs for non-public schools.
- **Emergency Connectivity Fund (\$100 million in Fiscal 2022).** The Executive Budget reflects a \$100 million increase in DOE's budget for Fiscal 2022 to support remote learning devices for students.
- **Head Start Revenue Adjustment (\$60.9 million reduction in Fiscal 2022, Fiscal 2023 and the outyears).** The Executive Budget brings the baseline budget for Head Start in line with previous spending by reducing the budget by \$60.9 million in State funding annually from Fiscal 2022 onwards.
- **Medicaid Revenue Adjustment (\$20 million reduction in Fiscal 2022).** The Executive Budget includes a \$20 million reduction as a result of the State's rejection of certain special education transportation claims.
- **CD Rollover (\$26.1 million increase in Fiscal 2022).** This roll moves \$26.1 million of funding for expenditures previously deemed ineligible for remote learning into Fiscal 2022.
- **Heat, Light and Power (\$21.8 million increase in Fiscal 2022, \$31.6 million increase in Fiscal 2023 and the outyears).** The Executive Budget includes an additional \$21.8 million in Fiscal 2022 and an additional \$31.6 million in Fiscal 2023 and the outyears reflecting re-estimates of the Department's heat, light, and power usage.

Savings Program

DOE's Executive Budget includes \$100 million in additional resources instituted in the PEG. The agency was able to locate additional resources in one initiative:

- **Personal Services Adjustment (\$100 million less in Fiscal 2022).** The Executive Budget includes an estimate of DOE spending on pedagogical salaries resulting in \$100 million of savings in Fiscal 2022.

Savings Restorations

N/A

Fiscal 2023 Preliminary Budget Response

In the Fiscal 2023 Preliminary Budget Response (Budget Response)², the Council identified several areas of concern relating to Education. Below the Council's proposals are discussed, with an analysis of how they were addressed in the Executive Plan.

- **Expand Career and Technical Education.** The Council's Budget Response identified Career and Technical Education (CTE) as an effective method to provide students with the necessary skills for successful careers post-graduation. As of the Preliminary Plan, DOE

² The full response can be found at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/04/Fiscal-2023-Preliminary-Budget-Response-1-3.pdf>.

allocated \$10.3 million for CTE programming to 83 high schools across the City. The Council called on the Administration to double the current investment and add another \$10.3 million in CTE programs to Fiscal 2023 to make CTE programming available in over 160 schools. The Executive Budget includes an additional \$33.4 million in DOE's budget in Fiscal 2023, and \$52.3 million in Fiscal 2024, to create 25 additional career pathway programs. These programs will focus on expanding career pathways in high growth sectors such as healthcare and information technology, by offering an array of early college credits and a middle school career exploration program. DOE is still finalizing the list of schools that will receive this new programming.

- **Provide Additional Supports to English Language Learners (ELL).** The Council called on the Administration to invest \$12 million in Fiscal 2023 to support the hiring of 120 ELL Instructional Specialists at DOE schools with high ELL populations. The Executive Budget adds \$4.2 million to hire bilingual education employees.
- **Hire Additional DOE Community Coordinators.** In the 2020-2021 school year, more than 101,000 city students experienced homelessness, of which 28,000 spent time in shelters. Advocates, community members, and other school stakeholders have emphasized the importance of DOE hiring dedicated staff to work with this student population and their families in shelters. Community coordinators are necessary in connecting these students and their families to essential resources, providing guidance in navigating the school system, addressing attendance barriers, and providing holistic support. The Council called on the Administration to add \$12 million in the Executive Budget to hire 100 shelter-based DOE Community Coordinators, 10 regional managers, and two regional directors. The Executive Budget includes \$1.8 million to support the hiring of these Community Coordinators.
- **Summer Rising.** The Council called on the Administration to add funding to support the expansion of Summer Rising for the summer of 2022. The Executive Budget includes an additional \$176 million in DOE's Fiscal 2023 budget only and baselines \$101.1 million to DYCD's Fiscal 2023 budget to support the expansion of Summer Rising to accommodate 110,000 slots.
- **Fund one additional staff for the Office of Foster Care.** In fall 2021, for the first time ever, DOE committed to hiring a team dedicated to focusing on the educational needs of students in foster care. Currently though only three of the seven positions on the team have been posted on DOE's website, with the other four positions held up due to the hiring freeze. The Council called on the Administration to lift the hiring freeze and use existing resources to fill the remaining four positions. As of April, DOE has begun the hiring process for two of the positions.

Despite the increased funding added for certain programs, there are still some essential programs that did not receive additional support in the Executive Plan. No new funding was added in a number of areas highlighted by the City Council in its response to the Mayor's Preliminary Fiscal 2023 Financial Plan.

Response Priorities	Amount Requested	Amount Included in the Exec Budget
Expand Career and Technical Education	\$10.3 million	\$33.4 million
Provide additional supports to English Language Learners	\$12 million	\$4.2 million
Hire additional DOE Community Coordinators	\$12 million	\$1.8 million
Summer Rising	\$0	\$277.1 million
Hire additional mental health, career counseling and guidance counselors	\$14.1 million	\$0
Citywide expansion of school wide restorative justice practice	\$59 million	\$0
Fund one additional staff for the Office of Foster Care	\$0	\$0
Fund arts and music education	\$0	\$0
Pay parity for special education pre-K providers	\$30 million	\$0
Extend pay parity to day care Directors	\$21 million	\$0

- Hire additional mental health, career counseling and guidance counselors:** The Council called on the Administration to invest \$14.1 million to hire social workers and guidance counselors at 100 District 79 schools in Fiscal 2023, with a plan to reach all District 79 schools by Fiscal 2026. The Executive Plan did not include any funding in DOE’s budget to support this.
- Citywide expansion of school wide restorative justice practice:** The Council called for a \$59 million investment in restorative justice coordinators in 250 schools in Fiscal 2023, as well as funding restorative justice training for all staff and school community members. While the Executive Plan adds \$9.2 million to Fiscal 2023 only for the CBO led Safe and Supportive Schools initiative, none of this funding is slated to hire restorative justice coordinators.
- Fund arts and music education.** The Council called on DOE to dedicate a portion of the \$1.3 billion in federal stimulus American Rescue Plan (ARP) funding in Fiscal 2023 to support a minimum of \$100 per student for core arts instruction and programming, which currently stands at \$79 per student. The Administration did not provide any additional funding for arts and music education in the Executive Budget.
- Pay parity for special education pre-K providers.** A \$30 million baselined investment would allow preschool special education programs to address recruitment and retention challenges, in addition to stabilizing special education Pre-K programs. The Executive Budget did not include any funding to rectify the pay parity issue among special education pre-K providers.
- Extend pay parity to day care Directors.** The Council called on the Administration to make an investment of \$21 million to bring early childhood directors and assistant directors to parity with their DOE counterparts. The Executive Budget did not include any additional funding to meet this goal.

Federal and State Budget Risks

The enacted State Budget does not pose any budget risks to the DOE.

DOE’s Executive Budget reflects a substantial amount of federal stimulus funding from ARPA and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). A large portion of the federal stimulus funds are allocated to supporting existing long-term programs. The Executive Budget includes nearly \$515.4 million in Fiscal 2025, including \$376.2 million for the expansion of Universal 3K, for programs that will require funding after the last of the federal funds expire in December 2024. It is uncertain how the City will account for the costs of these expanded programs in Fiscal 2026 and beyond. Additionally, the previous Administration used federal stimulus funds to restore baselined cuts through Fiscal 2024 only, with \$90.6 million in restorations for Fiscal 2023 and Fiscal 2024. These cuts to the DOE’s budget will resume in Fiscal 2025 with \$87.6 million in reductions impacting air conditioning, school supports, the Education & Equity program, arts instruction, and Health Ed Works.

Capital Budget

DOE’s capital program is presented in the Executive Capital Commitment Plan for Fiscal 2022-2026 (Commitment Plan) and the Fiscal 2023 Executive Capital Budget.

DOE’s commitments for Fiscal 2022 through 2026 as presented in the Commitment Plan total \$17.2 billion, \$198.5 million greater (1.2 percent) than the total for the same period presented in the Preliminary Capital Commitment Plan released in February. The Department’s planned commitments comprise 18.3 percent of the City’s total \$94.9 billion Fiscal 2022 through 2026 plan.

DOE Fiscal 2022-2026 Capital Commitment Plan



The DOE's commitment plan is heavily front loaded with 24.2 percent of the entire planned expenditure in the current year, 34.2 percent in Fiscal 2023, and 27.5 percent, 7.1 percent, and 7 percent in Fiscal 2024 through Fiscal 2026. The extreme decline in planned commitments between Fiscal 2024 and 2025 is a product of DOE's current Five-Year Capital Plan (as managed by the School Construction Authority (SCA)), spans Fiscal 2020 through Fiscal 2024. Historically, the budget beyond the current Five-Year Plan is not included in the Capital Commitment Plan.

Capital Highlights

The net growth in the Capital Commitment Plan for DOE includes:

- \$153.3 million for the current Fiscal 2020-2024 Capital Plan to bring it in line with costs and schedules in the SCA's Five Year Plan
- \$32.1 million added by the Borough President through discretionary funding
- \$13.3 million for Green Infrastructure

These changes to DOE's Capital Commitment Plan along with additions made at the Adoption of the Budget in June will not appear at the project level until the SCA releases their next proposed amendment to the Five-Year Capital Plan in November 2022.

Appendix A: Budget Actions since Fiscal 2022 Adoption

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
DOE Budget as of the FY22 Adopted Budget	\$14,065,033	\$17,500,376	\$31,565,409	\$14,574,351	\$16,305,705	\$30,880,056
FY22 November Financial Plan						
New Needs						
East Side Coastal Resiliency Plan Murray B Field	\$2,300	\$0	\$2,300	\$300	\$0	\$300
Hurricane Ida Playground Maintenance	0	0	0	600	0	600
Vaccine Incentive	9	0	9	0	0	0
Subtotal, New Needs	\$2,309	0	\$2,309	\$900	0	\$900
Other Adjustments						
Baby Bonds Transfer	(\$15,000)	\$0	(\$15,000)	\$0	\$0	\$0
BC Realignment	(8,373)	0	(8,373)	(1,373)	0	(1,373)
BC Realignment	8,373	0	8,373	1,373	0	1,373
BC Realignment Mod	(2,795)	0	(2,795)	(2,795)	0	(2,795)
BC Realignment Mod	2,795	0	2,795	2,795	0	2,795
Beth Jacob Day Care	960	0	960	0	0	0
CC UA Transfer	(715)	0	(715)	0	0	0
CC UA Transfer	715	0	715	0	0	0
CD Rollover Accessibility OTPS	0	12,288	12,288	0	0	0
City Artist Corps	0	652	652	0	0	0
CD Rollover CV Removal	0	4,214	4,214	0	0	0
Collective Bargaining OSA	246	0	246	250	0	250
Collective Bargaining Elevator Mechanics	57	0	57	71	0	71
Collective Bargaining OSA School Safety	0	0	0	15	0	15
Collective Bargaining OSA School Safety NYPD IC	15	0	15	0	0	0
Collective Bargaining Plasterers	92	0	92	92	0	92
Demand Response	0	6,112	6,112	0	0	0
DOE Workforce	0	2,741	2,741	0	0	0
Elevator Mech Collective Bargaining	29	0	29	37	0	37
Energy Personnel	0	1,818	1,818	0	0	0
ExCEL Projects	0	991	991	0	0	0
ExCEL Projects Round 1	0	20,116	20,116	0	0	0
Federal Food Revenue Re-estimate	0	0	0	(38,000)	0	(38,000)
Federal Food Revenue Re-estimate	0	0	0	0	38,000	38,000
Financial Plan HC Adjustments	0	0	0	0	0	0

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
Financial Plan HC Adjustments	0	0	0	0	0	0
Food Budget Realign	0	0	0	(21,957)	0	(21,957)
Food Budget Realign	0	0	0	0	21,957	21,957
Food Budget Realign	0	0	0	8,309	0	8,309
Food Budget Realign	0	0	0	0	(8,309)	(8,309)
Food Budget Realign	0	0	0	13,648	0	13,648
Food Budget Realign	0	0	0	0	(13,648)	(13,648)
FY22 Realignment	11,000	0	11,000	0	0	0
FY22 Realignment	(11,000)	0	(11,000)	0	0	0
FY22 DOE MOME	0	57	57	0	0	0
Human Services	(999)	0	(999)	0	0	0
IC W DOE ANT SYSTEM	0	3,125	3,125	0	0	0
IC W DOE Obesity Taskforce	0	2,621	2,621	0	0	0
IC W DOE Savoy Medical Kit	0	384	384	0	0	0
IC W DOE Recycling Champions	0	973	973	0	0	0
IDEA SOLAR Wall Pilot	0	15	15	0	0	0
MSQI	0	0	0	0	0	0
NPS CARES Revenue Adjustment	0	71,614	71,614	0	0	0
NYC Service GoPASS	300	0	300	0	0	0
NYC Service Service in Schools	100	0	100	0	0	0
NYS Service Youth Leadership Councils	50	0	50	0	0	0
NYSTL Charter	0	0	0	0	0	0
Obj Realignment	0	433	433	0	(386)	(386)
PS Savings	(110,700)	0	(110,700)	0	0	0
Realignment	0	0	0	0	0	0
Revenue Adjustment	0	0	0	0	0	0
Revenue Adjustment IDEA Supplemental	0	15,687	15,687	0	0	0
Situation Room Transfer	0	(10,847)	(10,847)	0	0	0
SSBA Adjustment	0	62,876	62,876	0	0	0
UA Realignment	0	0	0	0	0	0
UA Transfer	0	0	0	0	0	0
Subtotal, Other Adjustments	(\$124,851)	\$195,869	\$71,018	(\$37,534)	\$37,614	\$80
DOE Budget as of the FY22 November Plan	\$13,942,491	\$17,696,245	\$31,638,736	\$14,537,717	\$16,343,319	\$30,881,036
FY23 Preliminary Financial Plan						
New Needs						
Charter Schools	\$0	\$0	\$0	281,664	\$0	\$0
Transportation	0	0	0	134,000	0	0
Vaccine Incentive	5	0	5	0	0	0
Subtotal, New Needs	\$5	0	\$5	\$415,664	0	\$415,664

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
Other Adjustments						
BPA-DOE MOU Bottle Fillers						
Budget Reallocation	\$0	\$141	\$141	\$0	\$0	\$0
Charter Revenue	0	134,174	134,174	0	0	0
Collective Bargaining Lump Sum	405,066	0	405,066	0	0	0
Energy Personnel	0	152	152	0	0	0
ExCEL Projects Round 2	0	4,323	4,323	0	0	0
Financial Plan Headcount Adjustments	0	0	0	0	0	0
Heating Fuel Adjustment	12,164	0	12,164	0	0	0
IC W/ DOE - ANT System	0	5,115	5,115	0	0	0
IC W/ DOE - Making Waves	0	195	195	0	0	0
Realignment	0	0	0	0	0	0
American Rescue Plan Labor Adj	(300,000)	300,000	0	0	0	0
CD Rollover - DOE Remote Learn	0	42,504	42,504	0	0	0
City Council Member Items	680	0	680	0	0	0
Collective Bargaining: Painter	21	0	21	21	0	21
COVID Test Kits	0	9,668	9,668	0	0	0
CRF Rollover - Air Purifiers	0	600	600	0	0	0
CUNY FRF Transfer	0	(2,520)	(2,520)	0	0	0
DOE Lan Cabling	0	241	241	0	0	0
DOE YWD MOU	0	444	444	0	0	0
Electrification Study	0	344	344	0	0	0
Enrollment Changes Revenue Adj	0	0	0	0	0	0
Mental Health Continuum	(2,062)	0	(2,062)	0	0	0
Realignment UA BC	0	0	0	0	0	0
Solar PV Kiosk Installations	0	769	769	0	0	0
SSD Transfer to NYPD	0	0	0	0	0	0
SSD Transfer to NYPD - Fringe	0	0	0	0	0	0
Urban Advantage Realignment	0	0	0	0	0	0
Subtotal, Other Adjustments	\$115,870	\$496,149	\$612,019	\$21	\$0	\$21
Program to Eliminate the Gap						
Prior Year Revenue	(\$55,000)	55,000	\$0	\$0	\$0	\$0
ATR Savings	(14,659)	0	(14,659)	(14,659)	0	(14,659)
Central Savings	(110,015)	0	(110,015)	(57,000)	0	(57,000)
Enrollment Changes		0	0	(374,644)	0	(374,644)
School Budget Allocation Effic	(36,782)	0	(36,782)	(36,782)	0	(36,782)
School Safety Savings	(39,159)	0	(39,159)	(12,444)	0	(12,444)
Vacancy Reduction	(190)	0	(190)	(61,966)	0	(61,966)
Subtotal, Program to Eliminate the Gap	(\$255,805)	\$55,000	(\$200,805)	(\$557,496)	\$0	(\$557,496)

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
TOTAL, All Changes FY23 Preliminary Budget	(\$139,929,954)	\$551,148,777	\$411,218,823	(\$141,810,563)	\$0	(\$141,810,563)
FY23 Executive Plan						
DOE Budget as of the Preliminary FY23 Budget	\$13,802,561	\$18,247,394	\$32,049,955	\$14,395,907	\$16,343,319	\$30,739,225
New Needs						
Extended Use Fee Waivers	\$0	\$0	\$0	\$2,000	\$0	\$2,000
Subtotal, New Needs	\$0	\$0	\$0	\$2,000	\$0	\$2,000
Other Adjustments						
Building Aid for Lead Testing	\$0	\$1,253	\$1,253	\$0	\$0	\$0
ExCEL Round 2	0	108	108	0	0	0
Financial Headcount adjustments	0	0	0	0	0	0
Fringe realignment	0	0	0	0	0	0
Heat, light, and power	21,786	0	21,786	31,599	0	31,599
IC W/ DOE - OSH Dental Service	0	75	75	0	0	0
NYC Service: GoPASS	0	0	0	300	0	300
NYC Service: Service in Schools	0	0	0	100	0	100
OEO Funding Adjustment	0	0	0	1500	0	150
RCM Projects	0	4,000	4,000	0	0	0
State Aid Adjustment	0	(87,333)	(87,333)	0	60,220	60,220
UA Transfer	0	0	0	0	0	0
YMI Adjustment	0	0	0	654	0	654
Realignment UA	0	0	0	0	0	0
Technical Realignment	0	0	0	0	0	0
Realignment UA BC	0	0	0	0	0	0
ARP Reallocation	0	(5,210)	(5,210)	0	0	0
Bilingual Education Expansion	0	0	0	0	11,203	11,203
CD Administration Adjustment	0	0	0	0	(100)	(100)
CD Rollover	0	26,076	26,076	0	0	0
Charter Revenue Adjustment	0	0	0	0	134,174	134,174
Contracted Nursing	0	0	0	0	49,000	49,000
Digital Learning	0	0	0	0	10,217	10,217
East Side Coastal Resiliency	0	0	0	0	0	0
Emergency Connectivity Fund.	0	100,000	100,000	0	0	0
Federal Stimulus Reallocation	0	0	0	0	(309,148)	(309,148)
Gifted and Talented	0	0	0	0	1,901	1,901
Head Start Revenue Adjustment	0	(60,896)	(60,896)	0	(60,896)	(60,896)
IC W/ DOE - Let's Talk	0	30	30	0	0	0
Literacy and Dyslexia Screening	0	0	0	0	7,452	7,452
Machinist Practical Exam	0	11	11	0	0	0

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
Medicaid Revenue Adjustment	0	(20,000)	(20,000)	0	0	0
Miscellaneous Revenue Adjustment.	(4,174)	0	(4,174)	0	0	0
Modset Correction	0	0	0	0	0	0
Parent and Family Engagement.	0	0	0	0	3,754	3,754
Pathways Expansion	0	0	0	0	33,367	33,367
Realignment 461	0	0	0	0	0	0
Realignment BC Revenue	0	0	0	0	0	0
Revenue update	0	7,083	7,083	0	0	0
Safe Supportive Schools.	0	83,583	83,583	0	0	0
SSBA Roll.	0	0	0	0	9,150	9,150
Summer Rising.	0	(35,286)	(35,286)	0	35,286	35,286
SYEP Transfer	0	0	0	0	176,000	176,000
Translation and Interpretation.	0	0	0	10,230	0	10,230
Subtotal, Other Adjustments	\$17,612	\$13,494	\$31,106	\$43,033	\$168,684	\$211,716
Program to Eliminate the Gap						
Personal Services Adjustment	(\$100,000)	\$0	(\$100,000)	\$0	\$0	\$0
Subtotal, Program to Eliminate the Gap	(\$100,000)	\$0	(\$100,000)	\$0	\$0	\$0
TOTAL, All Changes FY23 Executive Budget	(\$82,388)	\$13,494	(\$68,894)	\$45,033	\$168,684	\$213,716
DOE Budget as of the FY23 Executive Budget	\$13,720,173	\$18,260,888	\$31,981,061	\$14,440,939	\$16,512,003	\$30,952,942