



Testimony of the New York City School Construction Authority
on the Proposed FY 2023 Executive Capital Budget
Before the New York City Council Committee on Finance jointly with the Committee
on Education

May 10, 2022

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INTRODUCTION

Good morning Chairs Brannan and Joseph and members of the Finance and Education Committees. My name is Nina Kubota and I am the President and CEO of New York City School Construction Authority (SCA). In addition to our colleagues at the DOE, I am joined by Cora Liu, Vice President of Capital Plan Management for the SCA. We are pleased to be here today to discuss the February 2022 Proposed Amendment to the current FY2020–2024 Five-Year Capital Plan.

We thank the Council for their openness and have enjoyed the dialogue we have been able to share since the beginning of January. The Council’s participation and partnership has always been critical to the success of our projects and our schools and we look forward to building upon our strong spirit of collaboration.

FY 2020-2024 CAPITAL PLAN

When I was last before you in March, we highlighted how the SCA operates on a fixed, five-year capital plan with yearly amendments as set forth in our enabling legislation and talked through what makes up the overall structure and implementation of our Plan.

The February 2022 Proposed Amendment to the FY 2020-2024 Plan totals \$20.6 billion and is the largest capital plan in our history. The funding breaks down as follows: The Capacity Program, totaling \$9.84 billion; the Capital Investment category, with \$7.26 billion; and finally our Mandated Programs at \$3.51 billion.

Since we last spoke, I am happy to report that our Proposed February Amendment was approved by the Panel for Educational Policy on April 27th and will be a part of city’s budget that the Council reviews and adopts by June 30th.

Capacity Program

We continue to work day in and day out to fulfill the City’s commitment of adding 60,000 seats. Through the New Capacity Program, we are on our way to identifying locations for all new seats funded in this Plan. Since February, we have sited four additional projects with over 1,500 seats.



Of the 45,883 seats to be constructed through the New Capacity Program, there are 25,525 seats already in progress and another roughly 5,400 currently in the pipeline. That means we are two-thirds of the way toward identifying these needed seats.

Additionally, we continue to make substantial progress in the creation of seats through our other capacity programs. We have four projects that are in process as part of the Replacement Program: A PS/IS located at 3761 10th Ave in Manhattan, PS 163 in the Bronx, PS 47 in Queens, and a D75 school located at Wellbrook Avenue in Staten Island.

Through the Class Size Reduction program, there are currently two projects underway. One at Medgar Evers in Brooklyn and another at the Harbor School located on Governor's Island that will receive additional seats to alleviate overcrowding in these schools that otherwise would not have seen this investment as they are located in an area without funded New Capacity Program seat need. Through the Class Size Reduction program, we are able to provide relief to these schools.

While the addition project at PS 96 in Queens was the first project to be funded from newly created program to add capacity to support the removal of TCUs, it certainly won't be the last. We have several more that we are developing plans for and are looking forward to sharing them with the Council and the public as soon as we can.

Due to the decline in enrollment and birth rate, we were able to shift funding that was previously dedicated for the New Capacity Program to the other capacity programs I highlighted: Class Size Reduction, Replacement, and Capacity to Support the Removal of TCUs. Through these expanded programs as a result of the shifted funding, we will create about 14,000 seats bringing our total number of created seats to approximately 60,000.

Last year, we received over \$800 million to support the Early Education Initiatives which sought to expand 3-K citywide as well as upgrade certain Early Learn centers as part of the ACS transfer of a number of sites into the DOE's portfolio. This September, we are scheduled to open over 2,900 3-K seats at 23 sites across all five boroughs.

Capital Investment

While creating seats is a vital part of what we do, we cannot forget that 200 of our buildings are over 100 years old and the majority of our buildings are over 50 years old. The Plan directs a total of \$7.26 billion for capital investments. The Capital Investment portion of the Plan includes two main categories:

- \$3.27 billion for the Capital Improvement Program, which includes building upgrades and necessary capital repairs such as roof and façade work, structural repairs, and safeguarding our buildings against water infiltration; and
- \$2.81 billion for School Enhancement Projects, which funds the realignment of existing facilities to better suit instructional needs, along with bathroom upgrades, science labs,



accessibility, and other necessary improvements.

Every year, we make progress on removing TCUs. This Plan dedicates \$352 million for the ongoing removal of these units with dedicated Capacity funding allocated to construct the needed seats to allow for the removal of the TCUs. As of the February Amendment, we removed 266 of the original 354 TCUs, and developed plans to remove an additional 45 units. Since February, we have identified a path for the removal of 10 more TCUs at three sites now leaving us with a total 33 TCUs located at 11 sites.

Mandated Programs

The Mandated Programs category, with \$3.51 billion allocated, includes approximately \$650 million for boiler conversions in buildings currently using Number 4 oil. The remaining funds are assigned to cover other required costs, including code and local law compliance, the SCA's wrap-up insurance, and completion of projects from the prior Plan.

Continuing Our Commitment to MWLBE Firms

Many factors contribute to the successes we have experienced in implementing our capital plans, but one of our strongest core values is our commitment to our MWLBE contractors. The SCA is continually developing a larger and more diverse group of contractors who can bid on our work and complete large and complicated jobs.

We have been incredibly successful in increasing the participation of minority-owned businesses. In this Plan so far, the SCA has obligated over \$955 million in prime contractor obligations and \$884 million in sub-contractor awards to MWLBE firms.

Our Mentor Program seeks to cultivate smaller, MWLBE firms by providing them with the skills and experience needed to develop and grow within the construction industry and to establish long-term business relationships with the SCA. We currently have 150 firms in our mentor program and roughly 85% of those firms have won contracts. We intend to award over \$100 million in our Mentor Program to small contractors by the end of the fiscal year.

While we are incredibly proud of our accomplishments, we continue to identify more ways to build on these successes. As a way to further support and develop our mentor firms, our maximum contract value that they are able to bid on will increase to \$3 million in July.

CONCLUSION

Once again, I can't overstate the importance of the partnership between the City Council, the SCA, and the DOE. Our collaborative relationship is vital to the successful implementation of our Capital Plan that directly provides the state of the art educational facilities that our students need to succeed. I thank you for allowing me to testify before you today and I, along with my colleagues at the Department of Education, will be happy to answer any questions you may have.