

# THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson  
Speaker of the Council

Hon. Daniel Dromm  
Chair, Finance Committee

Hon. Mark Treyger  
Chair, Committee on Education



Report to the Committee on Finance and the Committee on Education on the Fiscal  
2019 Executive Budget for

Department of Education and School Construction Authority

May 22, 2018

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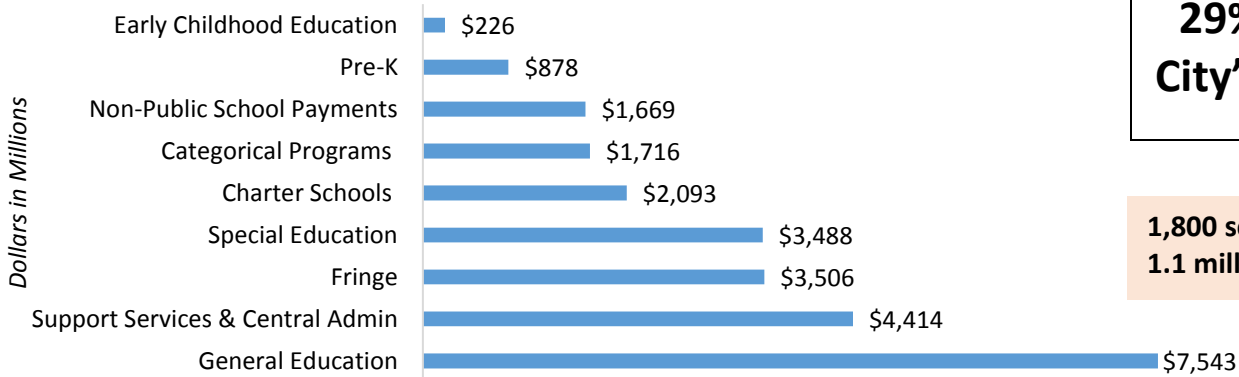
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## Department of Education Executive Budget Overview

### DOE Fiscal 2019 Executive Budget: \$25.5 billion



**29% of the City's budget**

**1,800 schools  
1.1 million students**

**6,404** Contracts totaling \$7.16 billion

**146,748 FT/FTE headcount:** 121,577 pedagogical and 25,171 civilian

#### Council's 2019 Budget Response

##### Partially Included:

- Direct Education Dollars to Schools: \$125 million
- Support Students in Shelter: \$11.9 million

##### Not included:

- Pay parity for early childhood educators
- Implement *Planning to Learn* recommendations
- Improve Five-Year Capital Plan transparency
- Fund accessibility and security camera projects

#### Major Agency Issues

- **Accurately Project State Funding.** DOE typically over-projects State funding and should align future projections with actual funding received.
- **Support Students in Shelter.** Although the Executive Plan provides \$11.9 million in funding for Fiscal 2019—an increase of \$1.6 million—this funding is not baselined.
- **Custodial Operations and NYCSSS.** The budget for school facilities and schools' custodial budgets lack transparency. Over 57 percent of the budget for school facilities is for the contract with NYC School Support Services (NYCSSS), the nonprofit that supplies custodial staff to schools.
- **Pupil Transportation.** DOE is in the process of rebidding some of their school bus contracts; it is unclear how that will affect the overall costs of pupil transportation, and the cost of busing students in shelter is unknown.

#### Executive Budget Changes

- New Needs total \$191 million in Fiscal 2019. Significant new needs include:
  - **Universal Literacy Enhancements** - \$30.5 million in Fiscal 2019 and in the outyears;
  - **Anti-Bias Training** - \$23.4 million over Fiscal 2019-2022, including \$4.8 million in Fiscal 2019;
  - **Civics for All** - \$3.9 million in Fiscal 2019 increasing to \$5.4 million by Fiscal 2022;
  - **Health Ed Works** - \$2.5 million in Fiscal 2019, increasing to \$7.5 million in Fiscal 2022;
  - **Air Conditioners** - \$10.8 million over Fiscal 2019-2022, including \$1.7 million in Fiscal 2019;
  - **Expansion of the Office of Equal Opportunity** - \$1.4 million in Fiscal 2019 and approximately \$1.2 million in the outyears;
  - **Carter Cases** - \$80 million in Fiscal 2018; and
  - **Transportation:** \$20 million in Fiscal 2018.
- Other Adjustments increase the Department of Education's budget by \$525 million in Fiscal 2018 and decrease the budget by \$253 million in Fiscal 2019.
- Savings total \$41.9 million in Fiscal 2019 due to additional school food revenue, prior year payments for special education, and a baselining of \$20 million in OTPS surplus from school budgets.
- The Capital Commitment Plan includes \$125 million additional capital funding for AC-related projects.

## Department of Education Introduction

This report presents a review of the Department of Education's Fiscal 2019 Executive Budget. The section below presents an overview of the Department's budget and how it has changed during the course of Fiscal 2018, followed by a review of the significant budget actions introduced in the Fiscal 2019 Executive Budget. Major issues related to the Department's budget are then discussed. Analysis and highlights of the Department of Education's Capital Program follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2018 and Fiscal 2019 Budgets since Adoption of the Fiscal 2018 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2019 Preliminary Budget Report for the Department of Education at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Education-Expense.pdf>.

Below is a summary of the Department's financial plan by Unit of Appropriation when comparing DOE's Fiscal 2019 Executive Budget to its Fiscal 2018 Adopted Budget.

<b>Department of Education Financial Plan Summary</b>						
<i>Dollars in Thousands</i>	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Executive Plan</b>		<b>2018 - 2019</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2018</b>	<b>2019</b>	<b>*Difference</b>
Personal Services	\$14,470,377	\$14,565,185	\$15,189,603	\$15,562,711	\$15,901,643	\$712,040
Other Than Personal Services	7,951,183	8,942,853	9,139,253	9,461,729	9,632,030	492,777
<b>Budget by Unit of Appropriation</b>						
401 - GE Instr. & Sch Ldrshp - PS	\$6,050,412	\$6,107,496	\$6,403,037	\$6,606,174	\$6,704,462	\$301,425
402 - GE Instr. & Sch Ldrshp - OTPS	720,312	819,743	854,488	858,481	838,839	(15,649)
403 - SE Instr. & Sch Ldrshp - PS	1,559,902	1,660,227	1,685,345	1,753,669	1,770,705	85,360
404 - SE Instr. & Sch Ldrshp - OTPS	4,331	4,452	5,350	5,350	5,350	0
406 - Charter Schools	1,493,653	1,674,373	1,946,994	1,942,494	2,092,791	145,797
407 - Universal Pre-K - PS	439,140	432,501	429,895	441,851	426,999	(2,896)
408 - Universal Pre-K OTPS	423,099	416,884	434,890	434,618	450,609	15,719
409 - Early childhood Programs - PS	0	0	11,952	11,752	16,408	4,456
410 - Early childhood Programs - OTPS	0	0	3,355	3,355	210,018	206,664
415 - School Support Orgs. - PS	255,088	278,426	292,802	297,237	331,719	38,917
416 - School Support Orgs. - OTPS	27,360	28,849	35,393	36,166	37,154	1,761
421 - Citywide SE Instr. & Sch Ldrshp - PS	974,406	1,007,107	1,034,353	1,089,378	1,087,853	53,500
422 - Citywide SE Instr. & Sch Ldrshp - OTPS	18,870	18,704	23,239	23,239	23,502	263
423 - SE Instructional Support - PS	279,654	324,645	342,987	354,372	354,684	11,697
424 - SE Instructional Support - OTPS	257,235	250,896	242,675	252,507	246,251	3,576
435 - School Facilities - PS	481,621	221,111	204,584	201,726	205,692	1,108
436 - School Facilities - OTPS	466,367	964,653	853,975	961,149	851,620	(2,355)
438 - Pupil Transportation - OTPS	1,143,283	1,200,540	1,142,457	1,189,071	1,202,349	59,892
439 - School Food Services - PS	218,779	229,001	232,069	232,083	232,958	889
440 - School Food Services - OTPS	242,300	261,622	332,959	295,897	320,296	(12,663)
442 - School Safety - OTPS	327,491	345,283	367,802	388,729	373,741	5,939
444 - Energy & Leases - OTPS	439,199	480,573	509,851	526,418	513,867	4,016
453 - Central Administration - PS	172,007	190,950	213,340	208,674	210,342	(2,998)
454 - Central Administration - OTPS	179,114	163,169	154,659	157,331	134,477	(20,182)
461 - Fringe Benefits - PS	3,019,278	3,127,340	3,255,637	3,315,959	3,505,796	250,159
470 - SE Pre-K Contracts - OTPS	762,245	706,408	841,008	841,008	858,973	17,965
472 - Contract/Carters/Foster Care - OTPS	709,674	807,361	707,476	787,476	732,476	25,000
474 - Non-Public and FIT - OTPS	66,038	74,793	78,241	79,196	77,851	(390)
481 - Categorical Programs - PS	1,020,088	986,379	1,083,602	1,049,837	1,054,026	(29,576)
482 - Categorical Programs - OTPS	670,614	724,552	604,442	679,243	661,865	57,423
<b>TOTAL</b>	<b>\$22,421,560</b>	<b>\$23,508,039</b>	<b>\$24,328,855</b>	<b>\$25,024,440</b>	<b>\$25,533,673</b>	<b>\$1,204,818</b>

\*The difference of Fiscal 2018 Adopted compared to Fiscal 2019 Executive Budget.

## Significant Programmatic Changes

- **General Education and School Leadership.** As outlined in the Financial Plan Summary, the largest change in DOE's budget is in U/A 401, General Instruction and School Leadership Personal Services (PS). Funding increased by \$301 million or five percent when compared to the Fiscal 2018 Adopted Budget for a total of \$6.7 billion in the Fiscal 2019 Executive Budget. The year-over-year increase in this U/A is largely due to previously scheduled increases for school budgets, including increases for Equity and Excellence programs and collective bargaining payments. Changes introduced in the Executive Budget add \$93 million to U/A 401. In total, \$260 million of growth from Fiscal 2018 to Fiscal 2019 was accounted for in the 2018 Adopted Budget. The remaining increase of \$41 million since adoption in U/A 401 also includes \$1 million for Civics for All, \$5 million for students in shelter, \$2 million for anti-bias training, \$86 million for Fair Student Funding, and \$1 million for Universal Literacy. This spending is offset by \$54 million in savings for a total of \$6.7 billion to support General Instruction and School Leadership.
- **Special Education and School Leadership.** When compared to the Fiscal 2018 Adopted Budget, Special Education and School Leadership is expected to increase by \$85.3 million, or five percent. Of that amount, \$12.8 million is related to the increase in Fair Student Funding. Increases in this U/A are expected as the number of students enrolled in special education has been steadily increasing from 239,619 in Fiscal 2015 to 260,482 in Fiscal 2017.
- **Charter Schools.** Funding for charter schools is projected to total over \$2 billion, a \$145.8 million or seven percent increase when compared to last year. Charter school spending comprises 7.8 percent of DOE's budget. Charter school costs continue to rise annually due to State mandates, increases in the number of charter schools, and increases in charter school enrollment. For example, in Fiscal 2017 DOE reported 119,622 students and 220 charter schools, which grew to 131,142 students and 231 schools this fiscal year; an increase of 11,520 students and 11 charter schools in one year. It is expected both charter school enrollment and the number of charter schools will grow in Fiscal 2019. The State mandates that DOE pay a per-pupil tuition rate for each student enrolled in a charter school and the current rate, set by the State, is \$14,527. DOE is also required to pay for charter facilities rental aid in privately leased space if the charter school is not located within a DOE building. DOE is making \$44.9 million in rental assistance payments to charter schools in Fiscal 2018.
- **Early Childhood Programs.** The Fiscal 2019 Executive Budget reflects the transfer of EarlyLearn contracts from the Administration for Children's Services (ACS) to DOE. This change was accounted for in the Fiscal 2018 Financial Plan Preliminary Budget with an increase of \$507 million in Early Childhood Programs OTPS. The Executive Budget reflects a smaller transfer of \$210 million to support EarlyLearn. This is due to the fact that the contracts will remain at ACS for the beginning of the next fiscal year. DOE prorated funding for seven months to ACS to administer the contracts until the planned transfer on February 1, 2019. DOE anticipates releasing an RFP for childcare services in early 2019 to begin programming in the Fall of 2020.

- **Fringe Benefits.** Fringe benefits are projected to increase by \$250 million when compared to the Fiscal 2018 Adopted Budget. However, most of this increase was accounted for in the Preliminary Budget, with only a \$23,071 increase included in the Executive Budget. The increase in fringe benefits is a result of actions in previous plans including collective bargaining and increases in headcount for programs such as AP for All, Universal Literacy, and physical education teachers.

## Department of Education Overview

The Department of Education's (DOE or the Department) Fiscal 2019 Budget totals \$25.5 billion, \$1.2 billion more than the Fiscal 2018 Adopted Budget of \$24.3 billion. The personal services (PS) budget totals \$15.9 billion and other than personal services (OTPS) totals \$9.1 billion.

In addition to the DOE's budget, total City spending related to education includes pension and debt service costs. Total pension costs for Fiscal 2019 are projected to be \$3.9 billion and total debt service is \$2.8 billion for total Fiscal 2019 educated related spending of \$32.2 billion. Pension and debt service costs are not included in DOE's budget.

<b>Funding Summary</b>				
<i>Dollars in Thousands</i>	<b>Adopted 2018</b>	<b>Executive Plan 2018</b>	<b>Executive Plan 2019</b>	<b>*Difference 2018 - 2019</b>
<b>City</b>	<b>\$11,648,572</b>	<b>\$12,189,133</b>	<b>\$12,303,571</b>	<b>\$654,999</b>
<b>State</b>				
Foundation Aid	\$7,433,451	\$7,431,855	\$7,740,304	\$306,853
Formula Aid	1,507,565	1,562,299	1,517,541	9,976
Building Aid	514,126	523,887	522,568	8,442
Categorical Programs	709,595	711,670	722,415	12,820
Special Education Pre-K	501,487	512,814	588,655	87,168
State Food Programs	16,520	16,520	16,520	0
Revenue in Other Agencies	(2,500)	(2,500)	(2,500)	0
<b>Subtotal State</b>	<b>\$10,680,244</b>	<b>\$10,756,545</b>	<b>\$11,105,503</b>	<b>\$425,259</b>
<b>Federal - Other</b>				
Title I	\$679,101	\$679,101	\$679,101	\$0
Title IIA	108,000	108,000	108,000	0
IDEA	269,782	269,782	287,782	18,000
Medicaid	97,000	97,000	97,000	0
School Lunch	300,476	338,476	338,476	38,000
Breakfast Program	135,932	135,932	139,312	3,380
Education for Homeless Children and Youth	1,550	2,200	2,200	650
Other	196,859	194,859	292,526	95,667
<b>Subtotal Federal</b>	<b>\$1,788,700</b>	<b>\$1,825,350</b>	<b>\$1,944,397</b>	<b>\$155,697</b>
Federal - CD	\$28,200	\$31,690	\$5,734	(\$22,466)
Intra-city	12,188	54,972	10,010	(2,178)
Other Categorical	170,952	166,749	164,456	(6,496)
<b>Subtotal</b>	<b>\$211,340</b>	<b>\$253,411</b>	<b>\$180,200</b>	<b>(\$31,140)</b>
<b>TOTAL DOE FUNDING</b>	<b>\$24,328,855</b>	<b>\$25,024,440</b>	<b>\$25,533,673</b>	<b>\$1,204,818</b>

- **City Funds.** The DOE's Fiscal 2019 City-funded portion of the budget shows an increase of \$655 million when compared to the Fiscal 2018 Adopted Budget, for a total of \$12.3 billion, or 48 percent, in City funding in the Executive Budget.

- **State Aid Backfill.** The Fiscal 2019 Executive Budget includes \$135 million to account for lower than projected State revenue. Although DOE did receive a 3.27 percent increase in State aid when compared to last year, it was lower than the 4.3 percent increase DOE projected. The Executive Budget accounts for this shortfall by providing \$135 million in City funds. This is categorized as State Aid backfill but there is not a commensurate reduction in State aid included in the financial plan.
- **State Funds.** The DOE's Fiscal 2019 Executive Budget shows a \$425.3 million increase in State funds when compared to the Fiscal 2018 Adopted Budget. This increase is mostly comprised of an increase of \$306.8 million in Foundation Aid. The remainder of the increase includes \$87.2 million in State support for Special Education Pre-K, \$12.8 million in Categorical Programs, \$10 million in Formula Aid, and \$8.4 million in Building Aid. In total, \$11.1 billion, or 43 percent, of DOE's budget is supported with State funds. A significant portion of State funding supports mandated programs such as charter schools and special education.
- **Federal Funds.** Federal support remains fairly consistent year-over-year with a \$155 million increase in Fiscal 2019 when compared to the 2018 Adopted Budget. One major change in federal funding in Fiscal 2019 is the increase in revenue to support universal free lunch. Prior to the start of this school year, DOE identified over 195,000 additional students as eligible for free lunch through the direct certification process and this allowed the City to surpass the 40 percent threshold required for universal participation in a federal school food program, the Community Eligibility Program (CEP). This allows DOE to collect the highest rate of reimbursement, \$3.37, for each lunch served.

## Headcount

Headcount						
	Actual 2016	Actual 2017	Adopted 2018	Executive Plan		*Difference
				2018	2019	2018 - 2019
<b>Positions</b>						
Full-Time Non-Pedagogical	12,248	12,528	11,410	12,271	12,358	948
Full-Time Pedagogical	115,799	118,671	120,389	119,613	120,720	331
<b>TOTAL</b>	<b>128,047</b>	<b>131,199</b>	<b>131,799</b>	<b>131,884</b>	<b>133,078</b>	<b>1,279</b>

*\*The difference of Fiscal 2018 Adopted Budget compared to Fiscal 2019 Executive Budget.*

- The Executive Budget supports 133,078 full-time and 13,670 full-time equivalent (FTE) positions for a total headcount of 146,748 positions. Pedagogical employees comprise 120,720 of the full-time positions and 857 of the FTEs. Non-pedagogical employees comprise 12,358 of the full-time employees and 12,813 of the FTEs. Total headcount has increased by 1,279 positions when compared to the Fiscal 2018 Adopted Budget.

## New in the Executive Budget

The Department of Education's Fiscal 2019 Executive Budget introduces \$191 million in new needs, including approximately \$137 million for initiatives the Council called for in the Fiscal 2019 Preliminary Budget Response.

- **Fair Student Funding.** In the Budget Response, the Council called on the Administration to allocate more funding directly to schools through Fair Student Funding (FSF) and it has been included in this plan. The Fiscal 2019 Executive Budget commits \$125 million in City funds and grows to \$132 million in Fiscal 2022 to maintain a 90 percent FSF floor for schools. Next school year, over 850 schools will see an increase and the FSF floor will be raised from 87 to 90 percent. The system-wide average will increase from 91 to 92.7 percent.
- **Students in Shelters.** The Students in Shelter program is designed to better support the needs of homeless students by providing additional supports in schools with the highest concentrations of students living in shelters. This program, funded in Fiscal 2017 and 2018 at \$10.3 million, provides literacy support through after-school tutoring in shelters, social workers in schools, admissions support in shelters, and health and mental health services in schools. The Executive Budget includes funding in Fiscal 2019, again for only one year, totaling \$11.9 million. The additional funding will provide for 10 additional Bridging the Gap social workers to serve 10 additional schools with high concentrations of students in temporary housing (STH). This will bring the total number of schools with a dedicated Bridging the Gap social worker to 53. Additionally, two content experts will be hired as supervisors. Funding to increase the after-school literacy program in shelters is funded through an expansion of Universal Literacy described in more detail below. There is no change to the health and mental health component to this program for the next school year, which is currently in 62 schools and 10 campuses.
- **Universal Literacy Enhancements.** First funded in Fiscal 2017, the Fiscal 2019 Executive Budget includes baseline funding for an additional \$30.5 million for the Universal Literacy initiative. This program aims to ensure every student is reading at grade level by the end of 2<sup>nd</sup> grade by providing support from a literacy coach. An associated headcount increase of 31 positions includes 25 reading coaches to work in 25 of the lowest performing schools, as well as six supervisors. Funding will also be used to expand literacy after-school programs in shelters. The after-school program is currently operating in 18 shelters and will expand to an additional 20 shelters for a total of 38 shelters next school year. Additionally, Universal Literacy will provide training for special education teachers working with English Language Learners and principals, and create a web platform where parents can track student progress. Total headcount for Universal Literacy is expected to reach 498 positions, including 14 literacy coach supervisors.
- **Air Conditioners.** In the Fiscal 2018 Budget Response, the Council called on the Administration to provide air conditioning (AC) in all classrooms. The Fiscal 2018 Executive Budget included funding for window AC units totaling \$28.75 million from Fiscal 2018-2022 to install ACs in approximately 11,500 classrooms (window AC units are not capital-eligible). DOE conducted a survey of classrooms this year and discovered that an additional 5,200 classrooms are without AC or a working AC. As a result, the Fiscal 2019 Executive Budget provides \$10.8 million over Fiscal 2019-2022 for the installation of ACs in these additional classrooms, including \$1.7 million in Fiscal 2019. This brings the total expense funding invested in this initiative to almost \$40 million over the financial plan. The Executive Capital Budget also invests \$125 million for electrical upgrades related to AC, discussed on page 12.
- **Anti-Bias Training.** In the Fiscal 2019 Executive Budget, DOE is funding anti-bias training for all DOE staff, including staff in schools, field offices, and central offices. In order to provide

this training, \$4.7 million is included in Fiscal 2019, increasing to \$6.9 million in Fiscal 2022 in order to reach all staff over four years. Training is intended to raise awareness about implicit bias and improve race consciousness. DOE plans to use outside trainers and has included \$2.9 million in OTPS funding for Fiscal 2019. The estimated cost of per session to cover staff time, including fringe, is \$1.8 million in Fiscal 2019 and totals approximately \$10.9 million across Fiscal 2019-2022.

- **Carter Cases.** The Fiscal 2019 Executive Budget includes \$80 million in City funds to the increased cost of Carter Cases in Fiscal 2018. The number of claims paid to families for settled cases increased from 6,700 in Fiscal 2014 to 11,000 in Fiscal 2017. This is partly due to a policy change made by this Administration to challenge cases less aggressively, as well as deciding within 10 days to proceed with a hearing or settle a case. While there is an increase in cases and spending, this funding has not been baselined. Carter Case payments can include previous years since it can take several years to settle a case. There is no guarantee that a specific Carter Case payment will continue in future years. Federal law requires DOE to evaluate the status of the student annually; only once the student has been evaluated does DOE continue paying for the child's educational setting.
- **Civics for All.** As announced in the Mayor's 2018 State of the City address, the Fiscal 2019 Executive Budget commits funding to provide civic education in schools. The plan includes \$3.9 million in Fiscal 2019 growing to \$5.4 million by Fiscal 2022. Funding increases in the plan in order for DOE to train additional staff. There is a headcount increase of nine positions, which includes five borough leads at each Field Support Center, two curriculum writers, and two managers. Of the Fiscal 2019 funding, \$1.8 million is for the additional staff and \$2.1 million is for OTPS costs.
- **District 1 Family Resource Center.** The District 1 Family Resource Center provides families with counseling services, enrollment specialists, and referrals for services, including, but not limited to, financial and immigration assistance through community-based organizations. The Fiscal 2019 Executive Budget includes baseline funding for four positions totaling \$428,415 at the District 1 Family Resource Center that were previously funded by a State grant. Funding increases slightly in the outyears to \$438,715 to account for increases in fringe benefits.
- **Expansion of the Office of Equal Opportunity.** The Fiscal 2019 Executive Budget includes baseline funding for 11 positions within the Office of Equal Opportunity by providing \$1.4 million in Fiscal 2019 and approximately \$1.2 million in the outyears. Funding is higher in the first fiscal year to accommodate for increased costs associated with expanding the office. Positions added to the Office of Equal Opportunity include eight investigators, two attorneys, and one administrative aide.
- **Health Education Works.** The Fiscal 2019 Executive Budget includes \$2.5 million, increasing to \$7.5 million in Fiscal 2022 for Health Education Works. Additionally, the budget includes baseline funding for five positions in Fiscal 2019 and three in Fiscal 2020 for a total headcount increase of eight positions to implement comprehensive health education in all schools. In Fiscal 2019, the positions include one director, one manager, one data analyst, and two teacher leaders. In Fiscal 2020, one director and two teacher leaders will be added. Under this plan, 500 teachers will become certified as health educators. Funding increases in the outyears as DOE provides training to additional staff.



- **New Schools-Maintenance & Operations.** In order to provide basic maintenance and operations in new school facilities opening in 2019, the Executive Budget includes baseline funding of \$8.9 million and 10 positions. The \$8.9 million is broken down as follows:
  - \$469,000 for seven nurses;
  - \$4.1 million for facilities costs, including a \$3.3 million increase to the annual contract with NYC School Support Services (NYCSSS) for custodial staff;
  - \$2.5 million for school food services, including the three school food employees;
  - \$1.1 million for heat, light, power, and fuel; and
  - \$638,000 in fringe associated with the additional headcount.
- **Transportation.** In order to align expenses and actual spending, the Fiscal 2019 Executive Budget includes \$20 million for Fiscal 2018 for transportation costs. It is unclear why this funding is not baselined and what drove the increased spending in the current fiscal year.

Other adjustments introduced for Fiscal 2019 decrease DOE's budget by \$253 million. Significant adjustments include:

- **Collective Bargaining Lump Sum.** The Fiscal 2019 Executive Budget includes \$447 million in lump sum payments to DOE employees in Fiscal 2018 as a result of a nine-year agreement reached between the United Federation of Teachers (UFT) and the City in 2014. DOE staff who retired from November 2009 to June 2014 were eligible for a lump sum payment for two four-percent retroactive raises to the first two years of the nine-year agreement. Staff who retired after June 2014 or remained employed also received lump sum payments, but the payouts were spread over a five-year period. In Fiscal 2016, 12.5 percent of the lump sum was paid, 12.5 percent (or \$447.7 million) will be paid this year and is included in this budget, and 25 percent will be paid each October for the next three fiscal years (2019-2021). DOE's budget does not include any money in the outyears for these lump sum payments.

Payments are made to a range of DOE staff including teachers, principals, custodial engineers, and skilled trade workers. The adjustment in this budget includes \$401 million for employees represented by UFT, \$40 million for employees represented by the Council of School Supervisors and Administrators (CSA), and \$6 million for employees represented by other collective bargaining units.

- **Building Aid for Lead Testing.** The Fiscal 2019 Executive Budget includes \$9.8 million in Fiscal 2018 and \$8.4 million in Fiscal 2019 in State Building Aid reimbursements for lead testing in schools. A 2016 State law provides building aid to school districts for lead testing and effective remedial measures for such costs incurred prior to July 1, 2019.
- **Extended Use.** In order to provide fee waivers to groups requesting to use school space, in the Fiscal 2019 Preliminary Budget DOE provided \$2 million in Fiscal 2018 and 2019. The Fiscal 2019 Executive Budget includes an increase in headcount for one position for this program. There is no financial impact associated with this in the Executive Budget.
- **Revenue Adjustment.** The Fiscal 2019 Executive Budget reflects an adjustment of \$79 million to accurately reflect charter school revenue for the supplemental tuition rate, which is set by the State at \$1,000 per student. The State did provide this funding for the

upcoming school year in the 2018-2019 State Budget and it is now reflected in the City's Executive Budget.

- **Heat, Light and Power and Heating Fuel Adjustment.** The Fiscal 2019 Executive Budget includes \$17.6 million in Fiscal 2018 and \$5.1 million in Fiscal 2019 and in the outyears for heat, light, and power at DOE facilities. It includes adds \$7.8 million in Fiscal 2019 and in the outyears for heating fuel.

### Savings

- **School Food Savings.** Beginning this school year, DOE began offering free universal lunch to all students through the federal Community Eligibility Provision (CEP). The Fiscal 2019 Preliminary Budget reflected this change with \$38 million in federal revenue to provide free lunch to all students. Prior to this change, only stand-alone middle schools had universal free lunch. The City had budgeted \$44.3 million in City funds to support the free lunch program, including the middle school program. In the Fiscal 2019 Executive Plan, DOE replaces City funds with federal funds and recognizes a savings of \$6.3 million, which was funding used to support the middle school program. This support for middle school is no longer needed since CEP allows for all lunches, including middle school, to be reimbursed at the highest federal rate.
- **Reduction in OTPS Surplus Allocation.** The Fiscal 2019 Executive Budget baselines \$20 million in savings by reducing the OTPS budget for general instruction and school leadership. Currently, schools roll approximately \$40 million from year-to-year, and this would capture savings from 50 percent of the unspent money instead of rolling it from Fiscal 2019 to Fiscal 2020.

### Budget Issues

The following section discusses issues and concerns as it pertains to DOE's Fiscal 2019 Executive Budget.

#### Fiscal 2019 Preliminary Budget Response

In the Fiscal 2019 Preliminary Budget Response, the Council called for the following changes to the expense budget, which were partially or not included as part of the Fiscal 2019 Executive Budget.

- **Direct Education Dollars to Schools.** The Council called on the Administration to make achieving 100 percent FSF in all schools the top educational priority of this budget and the Administration responded with a \$125 million increase to FSF. While this will raise the FSF funding floor to 90 percent, the Council is still wants to ensure that all schools reach 100 percent FSF within three years. This would cost \$625 million using school level data from this school year. Schools would use additional resources to hire additional social workers, guidance counselors, teachers and other staff, as well as properly equip classrooms and support enrichment programs.
- **Support Students in Shelter.** The Council called upon the Administration to add \$22.4 million to DOE's budget to fund a new FSF weight for homeless students. In order to ensure the funding level is sufficient and is tied to every single student living in shelter, a new FSF weight of .05 totaling \$22.4 million would ensure a dedicated funding stream for homeless students.

While the Fiscal 2019 Executive Budget includes \$11.9 million to support DOE's students in shelter program, an increase of \$1.6 million compared to last fiscal year, this funding is not baselined. Additionally, this program does not reach all of the approximately 110,000 homeless students living in New York City. With this additional funding, principals could design school programs tailored to meet the specific needs of homeless students attending any DOE school, not just those with high concentrations of homeless students.

- **Pay Parity.** The Council called for the Administration to create pay parity across the early childhood system, including education programs in public schools, as EarlyLearn transitions into DOE. Staff and teachers who work at ACS EarlyLearn childcare centers make significantly less than staff and teachers in DOE schools. The City is about to establish a single early childhood system that extends through high school as all of ACS' child care programs move to DOE in Fiscal 2019. DOE will provide direct child care and early childhood education programs through the 3K for All, universal pre-kindergarten and a new Early Learn program transferred from ACS. It will also contract out a major portion of the early care work. As part of this transition, the pay disparity across the public education system should be corrected.

### Other Budget Issues

- **Accurately Project State Funding.** The Financial Plan currently projects a 4.3 percent year-over-year increase in State funds. However, this fiscal year DOE received a 3.27 percent increase and received only a 2.43 percent increase in 2017-2018. While the Council understands this number is a projection until the State budget is released, DOE should account for a more realistic year-over-year increase in State Aid and base it on prior-year funding in order for the Council to adopt a more accurate budget.
- **Custodial Operations and NYC School Support Services (NYCSSS).** In the Fiscal 2019 Preliminary Budget and Fiscal 2018 Budget Modification approved by the City Council on April 11, 2018, approximately \$51 million was added in Fiscal 2018 for DOE's contract with NYCSSS, the non-profit that provides school custodial staff to public schools. These changes were to account for additional staff hired to serve new schools opened over the past two years, and additional fringe costs, but the funding was not baselined. The Preliminary Budget and Budget Modification also reduced the Division of School Facilities' custodial operations in the Fiscal 2018 budget by approximately \$21 million. The City created NYCSSS in 2016 to provide custodial staff to DOE schools in order to improve the efficiency of the system.

Given the size of DOE's custodial operations budget the City Council has asked OMB and DOE to provide regular reporting on custodial service spending and operations. While square footage is a factor, it is unclear exactly how the DOE determines custodial allocations to schools in terms of both funding and staff. In addition, because the majority of custodial spending—\$612 million in Fiscal 2019—is for the contract the DOE has with NYCSSS, additional transparency is needed to understand how school facilities resources are allocated beyond the information provided in the City's budget.

- **Pupil Transportation.** The Fiscal 2019 Executive Plan includes \$41.8 million in Fiscal 2019 and \$2.2 million in Fiscal 2020 in the Department of Small Business Services' (SBS) budget for the School Bus Grant Program to support the employment of experienced school bus workers impacted by changes in the Department of Education's contracts for school bus transportation. The program was initially authorized by Local Law 44 of 2014, which

authorized SBS to establish a grant program in relation to the employment of school bus drivers, attendants, dispatchers and mechanics that contracted with DOE to provide transportation services to K-12 students. The Local Law expired on December 31, 2015.

The Council in prior hearings has raised questions on how the School Bus Grant Program affected the procurement process, why it has supported just one vendor: Reliant Transportation, and whether or not SBS had the authority to continue the program after the first year authorized by the Council. Reliant Transportation's current contract expires June 30, 2019.

On December 29, 2017 DOE issued a request for bids (RFB) for school bus services on 1,600 of the City's approximately 8,200 routes to replace existing contracts that expire in June 2018. The RFB includes employee protections for seniority and pay, but DOE's budget reflects no associated increase in contract spending. In addition, a coalition of 17 yellow-bus companies have filed suit in Manhattan Supreme Court to block these bids for new school bus contracts.

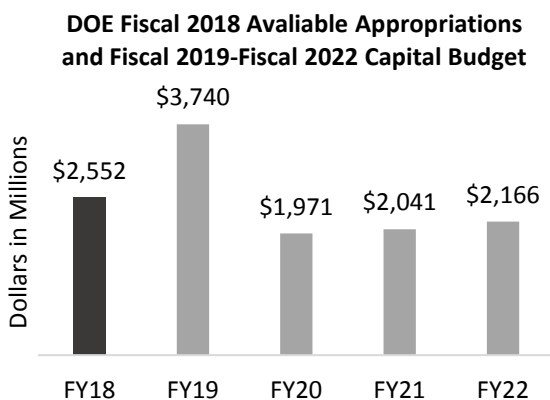
Finally, it is unclear how much the City is spending to providing busing to students in shelter. While some students in shelter are served through existing bus routes, sometimes busing a student in shelter creates a new bus route. It is unclear how many additional general education bus routes are a result of this and their associated cost.

## Capital Program

This section of the report presents highlights of the DOE's Fiscal 2019 Executive Capital Budget and Commitment Plan, Preliminary Budget Response items related to DOE Capital funding, and an overview of the February 2018 Proposed Amendment to the DOE Fiscal 2015-2019 Five-Year Capital Plan (the Proposed Amendment). For a more detailed and comprehensive report on the DOE's Five-Year Capital Plan and the Proposed Amendment, please refer to the Fiscal 2019 Preliminary Budget Report for the School Construction Authority (SCA) at:

<https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Education-and-the-School-Construction-Authority.pdf>.

### Fiscal 2019 Executive Capital Budget and Commitment Plan for Fiscal 2018-2022

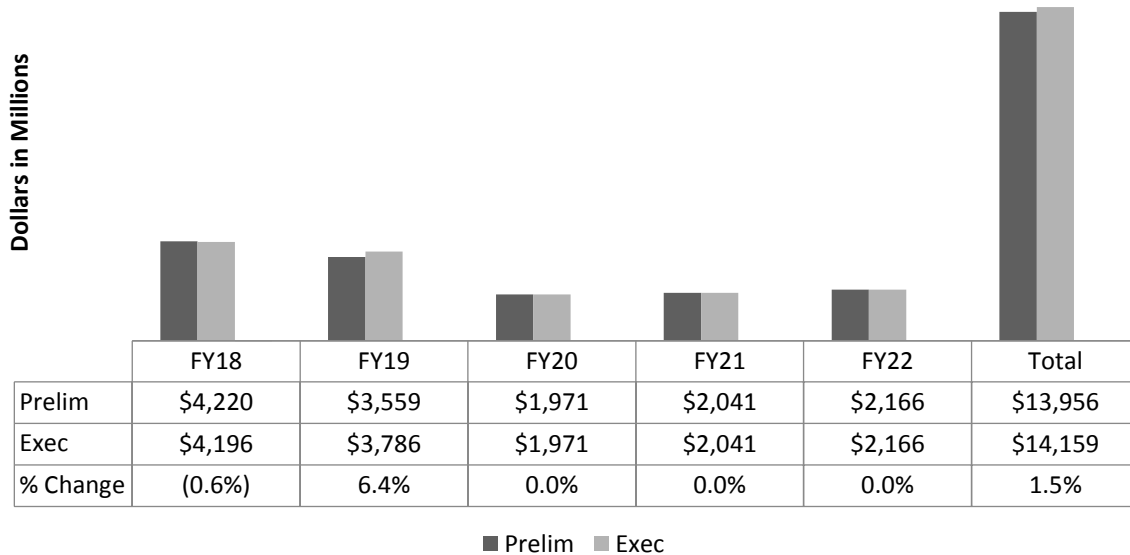


DOE's Fiscal 2019 Executive Capital Budget includes \$9.92 billion in Fiscal 2019-2022, with \$3.74 billion in Fiscal 2019, as shown in the graph to the left.<sup>1</sup> This represents 20 percent of the City's total \$49.4 billion Capital Budget for 2019-2022. Available appropriations for Fiscal 2018 totaled \$2.55 billion as of February 28; this includes \$1.08 billion in reauthorized prior appropriations and \$3.44 million in authorized appropriations, less \$1.97 billion actual commitments in the current fiscal year.

<sup>1</sup> The Capital Budget provides the required appropriations for Fiscal 2019 and planned appropriations for the subsequent three-year capital program. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption.

The Department’s Executive Capital Commitment Plan includes \$14.16 billion in Fiscal 2018-2022. This represents 17 percent of the City’s total \$82 billion Executive Capital Commitment Plan. DOE’s Executive Commitment Plan for Fiscal 2018-2021 is 1.5 percent more than the \$13.96 billion scheduled in the Preliminary Commitment Plan, an increase of \$204 million, as shown in the figure below. The increase in the DOE’s Capital Commitment Plan is largely due to \$125 million added in Fiscal 2019 for electrical upgrade projects related to providing air conditioning in all classrooms by 2022, and \$74 million added in Fiscal 2019 by the Borough Presidents.

**DOE Fiscal 2019 Executive Capital Commitment Plan**



**Fiscal 2019 Preliminary Budget Response**

The Council’s response to the Mayor’s Fiscal 2019 Preliminary Budget included numerous recommendations for DOE’s Capital Budget.

**Planning to Learn Recommendations.** In March 2018, the Council released a report titled *Planning to Learn: The School Building Challenge*, which made recommendations for improving the school planning and siting process. Some of these recommendations concerned the DOE Five-Year Capital Plan, in which the DOE and SCA identify the number of additional school seats needed and the methodology for determining this seat need, and the Preliminary Budget Response called on the DOE and SCA to implement these recommendations. On April 18, 2018, the Council held a hearing on the *Planning to Learn* report and related legislation. The DOE and SCA expressed willingness to work with the Council on all the recommendations in the report. Conversations about implementing the suggested changes to the DOE Five-Year Capital Plan are ongoing. A full copy of the Planning to Learn report is available on the Council’s website: <https://council.nyc.gov/land-use/plans/schools-working-group/>.

**Transparency of the DOE Five-Year Capital Plan.** The Preliminary Budget Response called on the SCA to make changes to the format of the DOE Five-Year Capital Plan:

- publish the Five-Year Capital Plan in a universal machine-readable format;
- identify which projects have been completed and reflect their actual costs;

- align project descriptions to the Plan’s program categories and subcategories; and
- list Resolution A projects funded by elected officials, either under their own category or under the appropriate existing category, as well as in the school-based program appendices.

No new version of the DOE Five-Year Capital Plan has been released since the Preliminary Budget (see discussion of the DOE Five-Year Capital Plan on page 14). The Council hopes to work with SCA on implementing these recommendations in advance of the release of the next DOE Five-Year Capital Plan for Fiscal 2020-2024, expected in November 2018.

**School Accessibility.** The Preliminary Budget Response called for reallocating \$125 million in existing funding for accessibility projects in schools in Fiscal 2019. No new version of the DOE Five-Year Capital Plan has been released since the Preliminary Budget, but the Council is unaware of plans to shift funding in Fiscal 2019 for accessibility projects (see discussion of the DOE Five-Year Capital Plan on page 14). Only half of DOE schools are partially or fully accessible to students with mobility impairments. The number of accessible schools varies widely across school districts, and some districts have no schools that are fully accessible to students in certain grades.

The \$100 million originally included in the Five-Year Capital Plan for accessibility is for 22 accessibility projects. The current goal is for the DOE to reach a minimum of 30 percent building accessibility for elementary grades in every district; DOE anticipates they will meet that goal through the work underway funded in the current Five-Year Capital Plan. DOE’s goal for the next Five-Year Capital Plan is to reach 40 percent building accessibility for elementary grades across all districts. This is contingent on funding being available and DOE estimates 29 projects would be needed to meet the 40 percent benchmark.

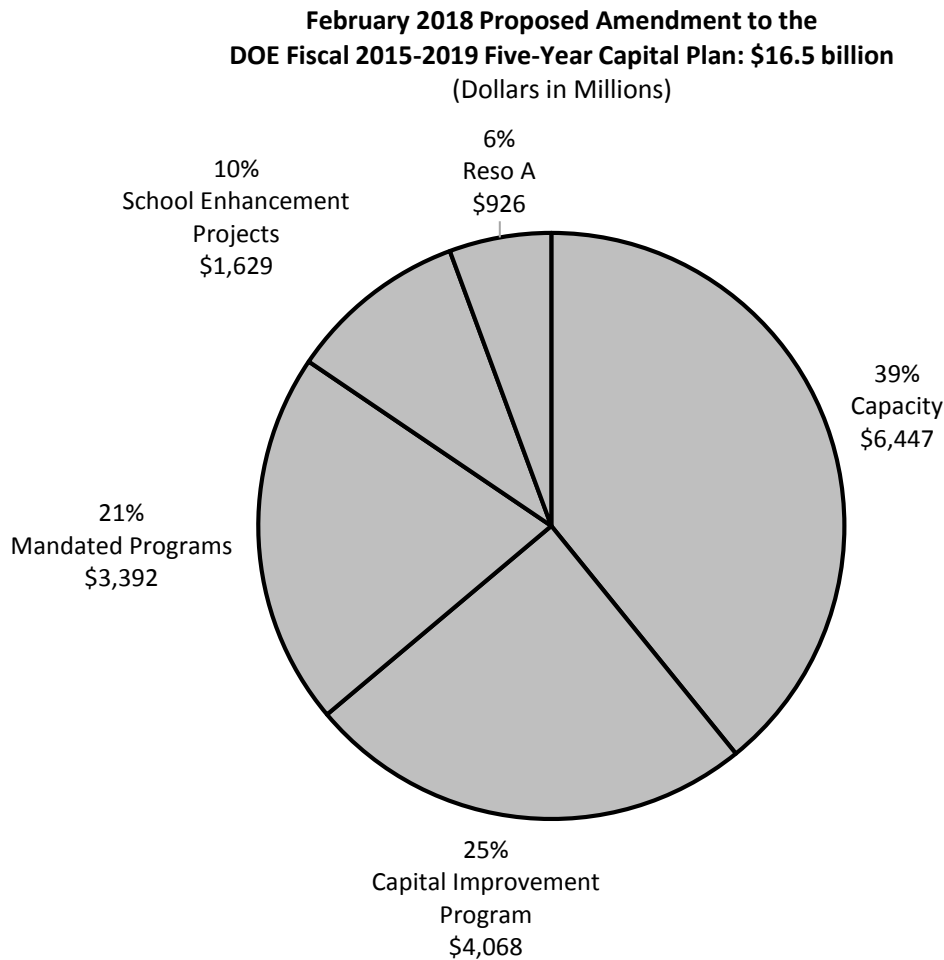
**Security Camera Systems in Schools.** The Preliminary Budget Response called for an additional \$100 million to fund camera security systems in schools in Fiscal 2019. No new version of the DOE Five-Year Capital Plan has been released since the Preliminary Budget, but the Council is unaware of plans to shift funding in Fiscal 2019 for security projects (see discussion of the DOE Five-Year Capital Plan below). As of January 2018, IPDVS has been implemented in 710 buildings serving 1,123 schools with 28,998 cameras. The DOE estimates it would cost approximately \$240 million to install IPDVS in the over 500 DOE schools buildings that have network infrastructure but do not currently have cameras. There would also be additional annual expense budget costs of \$4.3 million if IPDVS was bought to these schools, since the DOE’s Division of Informational and Instructional Technology (DIIT) provides technical support for IPDVS. Some DOE sites are not eligible for IPDVS (or any capital improvements) because their lease expiration dates are within seven years.

DOE has stated that it cannot provide a list of school buildings with or without IPDVS for security reasons.

#### [DOE Fiscal 2015-2019 Five-Year Capital Plan](#)

As shown in the chart below, the majority of the DOE Five-Year Capital Plan is for capacity, the Capital Improvement Program (state of good repair projects), and mandated programs. The remaining funding for school enhancement projects includes many Council and Administration priorities: Accessibility, Universal Physical Education, Air Conditioning, Bathroom Upgrades, and Safety & Security. An overview of the February 2018 Proposed Amendment to the DOE Five-Year

Capital Plan is included below. This Plan was approved by the Panel for Education Policy (PEP) on April 25, 2018.



**Capacity.** The Proposed Amendment includes \$6.4 billion for Capacity projects, for the following:

- *New Capacity* - \$4.8 billion for an additional 44,628 K-12 seats citywide;
- *Pre-K for All* - \$872 million for the construction of 8,771 pre-K seats citywide;
- *Class Size Reduction* - \$490 million for 4,900 seats targeted to reduce class size; and
- *Facility Replacement* - \$287 million for the construction of schools that must be relocated.

**Capital Investment.** The Proposed Amendment includes \$6.6 billion for projects to improve and upgrade existing facilities.

- *Capital Improvement Program* - \$4.1 billion for critical infrastructure work in existing buildings.
- *School Enhancement Projects* - \$1.6 billion: \$974 million is for Facility Enhancements and \$654 million for Technology.
  - *Facility Enhancements* includes:
    - *Air Conditioning* - \$50 million. While the Proposed Amendment reflects only \$50 million for capital upgrades required to provide air conditioning

in all DOE public school classrooms by 2022, the Fiscal 2019 Executive Capital Commitment Plan adds \$125 million for projects related to air conditioning work, bringing the total invested in the five-year period to \$175 million;

- *Universal Physical Education Initiative* - \$105.5 million for the first phase of an initiative to ensure all students have access to appropriate physical education space by 2021;
  - *Safety & Security* - \$100 million to provide security features in schools;
  - *Accessibility* - \$128 million for accessibility projects; and
  - *Bathroom Upgrades*. \$100 million for bathrooms that are functioning but require capital investment.
- *Reso A* - \$926.4 million for projects funded by the City Council and Borough Presidents.

**Mandated Programs.** The Proposed Amendment allocates \$3.4 billion for mandated programs, including lighting replacements, boiler conversions and associated climate control, asbestos remediation, lead paint removal, emergency lighting, code compliance, building condition surveys, wrap up insurance, prior plan competition, and emergency/unspecified.

#### **Planning for the Fiscal 2020-2024 Five-Year Plan and Fiscal 2015-2019 Five-Year Plan Closeout**

Because Fiscal 2019 is the final year of the current Five-Year Capital Plan, the February 2018 Proposed Amendment is the final version of this Five-Year Plan that will be released. The Council expects SCA to release a close-out report on the Fiscal 2015-2019 Five-Year Capital Plan after the close of Fiscal 2019, that details funding actually committed and projects completed in the five year period with actual costs. Through the end of Fiscal 2017, \$8.44 billion, or 51 percent of the total Five-Year Plan, was committed.

In order to begin planning for Fiscal 2020, the SCA will release the DOE Fiscal 2020-2024 Five-Year Capital Plan in November 2018. The Council looks forward to working closely with the DOE and SCA on the development of the next DOE Five-Year Capital Plan.

#### **DOE Five-Year Capital Plan Issues and Concerns**

In addition to the education capital items discussed in the Council's Fiscal 2019 Preliminary Budget Response, the Council is concerned about a number of areas of the Proposed Amendment.

**Smart Schools Bond Act (SSBA).** The City is budgeting for approximately \$783 million in State capital funding for education through the Smart Schools Bond Act (SSBA), though the City has not yet been able to access any of these funds. The City plans to use this funding for the removal of transportable classroom units (\$300 million), the construction of pre-K capacity (\$100 million), and for connectivity/classroom technology (\$383 million). The City submitted its Smart Schools Investment Plan (SSIP) to the State in 2016 and the State has yet to approve this plan. Specific projects funded by SSBA funding cannot begin until the State approves the City's SSIP, as SSBA guidelines require that all expenditures be based on an approved plan. The DOE Capital Plan also has City funding allocated for TCU removal and the construction of pre-K capacity. This allows SCA to proceed with projects, assuming SSBA funding will cover future projects once the State



approves the City's SSIP. However, it is unclear why the State has yet to approve the City's SSIP almost two years after it was initially submitted, hindering the City's access to these capital funds.

**Technology.** The current Capital Plan includes funding for technology infrastructure upgrades that will bring the minimum broadband speed in schools up to 100 Megabits per second (Mbps). According to DOE "the hardware being deployed in schools capable of ten times that capacity" and "connectivity to schools can be upgraded incrementally as needed to meet school needs over the next five years and beyond." However, the Council is concerned that the existing state of technology infrastructure is insufficient to meet current demand in many school buildings and even with the DOE's planned upgrades this challenge may remain.

**3-K for All.** It is still unclear what effect the implementation of 3-K for All will have on the DOE's capital program in the long-term. The Administration did begin the 3-K rollout in school districts with underutilized elementary schools, and, as with UPK, a significant portion of 3-K seats are offered by contracted providers in non-DOE facilities. However, this fall the Administration is expanding 3-K to two districts with much fewer available elementary school seats, as shown in the table below. As the City continues to expand access to 3-K they will be looking for seats in districts with severe elementary school overcrowding.

At the Fiscal 2019 Executive Budget hearing with the Office of Management and Budget (OMB), OMB indicated capital funding will be invested in the future to construct additional seats for 3-K students, similar to UPK. However, no funding has been added to the DOE Capital Commitment Plan in Fiscal 2020-2022 specifically for 3-K seats. In addition, the expansion of 3-K could exacerbate existing school siting and planning challenges. The Council expects the City's Ten Year Capital Strategy to take DOE's expanded responsibility for child care and launch of 3-K into account when released next year.

2016-17 Elementary School Enrollment, Capacity, and Utilization in 3-K Districts					
School District	Rollout	Enrollment	Capacity	Seat Excess (Shortfall)	Utilization
7	2017	6,805	7,792	987	87%
23	2017	2,387	3,213	826	74%
4	2018	3,044	3,361	317	91%
5	2018	3,528	4,493	965	79%
16	2018	3,219	6,184	2,965	52%
27	2018	16,922	13,766	(3,156)	123%
6	2019	9,606	10,377	771	93%
9	2019	16,957	16,738	(219)	101%
19	2019	11,064	12,846	1,782	86%
31	2019	27,605	25,040	(2,565)	110%
12	2020	10,779	10,449	(330)	103%
29	2020	12,147	12,485	338	97%

**SEGIS.** The Proposed Amendment allocates \$4.4 million for technology upgrades related to the Special Education Student Information System (SEGIS). This is in addition to expense funding added in prior years to the expense budget for SEGIS upgrades.

**Bathroom Upgrades.** The Five-Year Capital Plan includes \$100 million for bathroom upgrades. As of March 2018, \$53.8 million has been spent upgrading 696 bathrooms in 347 schools, at an average cost of \$77,300 per bathroom. There are 134 additional schools scheduled to receive upgrades in 282 bathrooms with a budgeted cost of \$23.9 million. DOE plans to use the remaining \$22.2 million to identify additional bathrooms in need of an upgrade; DOE has said they expect this list of projects will be identified by September. The Council is concerned that these projects will be identified with only nine months remaining in the current Plan.

**Charter Matching Projects.** For traditional public schools co-located with charter schools in DOE buildings, a Chancellor's regulation requires DOE to match facility upgrades in excess of \$5,000 made by or on behalf of the charter school with upgrades in the co-located public school. This requires DOE to spend an equal amount on the co-located traditional public school's facilities if the charter school facility upgrades are in excess of \$5,000. This spending is referred to as "charter matching funds" and can be for either expense or capital projects. Charter matching fund projects are identified in consultation with the principal(s) of the co-located public school(s) once the facility upgrades being made by the charter school are approved by the DOE.

There is no expense or capital funding dedicated to funding charter matching projects, rather, expense projects are funded with existing resources and capital projects are funded through the appropriate section of the capital plan. As of March 2018 charter matching projects in Fiscal 2018 total \$20.8 million (\$6.9 million expense and \$13.9 million capital).

**Class Size Reduction.** The Proposed Amendment allocates \$490 million for 4,900 new seats targeted to reduce class size. These seats are in addition to those funded under the New Capacity program. The SCA has identified three Class Size Reduction projects associated with 1,354 seats at a cost of \$236 million in the current Plan. At the Fiscal 2019 Preliminary Budget hearing on DOE's Capital Budget, SCA indicated they were close to identifying and approving an additional three projects. However, the Council remains concerned that less than one-third of the seats this program planned to create have been identified with only one fiscal year remaining in the current Plan.

## Appendix 1: Fiscal 2019 Budget Actions since Fiscal 2018 Adoption

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
<b>DOE Budget as of the Adopted 2018 Plan</b>	<b>\$11,648,573</b>	<b>\$12,680,284</b>	<b>\$24,328,857</b>	<b>\$12,358,346</b>	<b>\$13,324,457</b>	<b>\$25,682,803</b>
<b>November Budget Actions</b>	<b>(\$7,873)</b>	<b>\$50,342</b>	<b>\$42,469</b>	<b>(\$4,958)</b>	<b>\$11,977</b>	<b>\$7,020</b>
<b>New Needs - Prelim. 2019</b>						
Anti-Bullying Social and Emotional Learning Support	\$1,506	-	\$1,506	\$3,012	-	\$3,012
Bullying Complaint Portal	335	-	335	1,043	-	1,043
Extended Use Fee Waivers	700	-	700	1,300	-	1,300
Gay-Straight Alliance (GSA) Expansion	-	-	-	1,000	-	1,000
LGBT Community Liaison Office	500	-	500	500	-	500
New 3-K for All Districts	-	-	-	-	-	-
NYCSSS	30,400	-	30,400	-	-	-
Rat Reduction Mitigation at Schools	1,231	-	1,231	1,231	-	1,231
Restorative Justice Expansion	-	-	-	3,000	-	3,000
School Climate Workshops	100	-	100	100	-	100
<b>Subtotal, New Needs</b>	<b>\$34,771</b>	<b>-</b>	<b>\$34,771</b>	<b>\$11,186</b>	<b>-</b>	<b>\$11,186</b>
<b>Other Adjustments - Prelim. 2019</b>						
6th Period Coverage*	(\$16,407)	-	(\$16,407)	(\$17,011)	-	(\$17,011)
ATR Employee Departure Program*	(15,692)	-	(15,692)	(23,742)	-	(23,742)
ATR Incentive Program*	(3,405)	-	(3,405)	(5,107)	-	(5,107)
BC realign	-	-	-	-	-	-
BC realign reversal	-	-	-	-	-	-
CDBG	-	1,375	1,375	-	-	-
Central OTPS Savings*	-	-	-	(12,994)	-	(12,994)
Central PS Savings*	(15,000)	-	(15,000)	(25,000)	-	(25,000)
City Service Corps (DOE)	51	-	51	-	-	-
Collective Bargaining (IC), Elevator Mechanics	8	-	8	14	-	14
D79 Re-estimate*	-	-	-	(5,040)	-	(5,040)
Demand Response	-	295	295	-	-	-
DOE-HORTICUTURAL THERAPY	-	140	140	-	-	-
Enrollment Adjustment*	(9,490)	-	(9,490)	(9,490)	-	(9,490)
ExCEL Program	-	2,103	2,103	-	-	-
Financial Plan Headcount Adjustments	-	-	-	-	-	-
FM Realign	-	-	-	-	-	-
Food Budget Realignment	-	-	-	-	-	-
FY18 CC Realign	-	-	-	-	-	-
FY18 IC MOD w DOE - Adults Pgm	-	369	369	-	-	-
FY18 YMI Realign	-	-	-	-	-	-
IC W/ DOE - ANTS PROGRAM	-	2,270	2,270	-	-	-
Legal HC	-	-	-	-	-	-
Local 372 realignment	-	-	-	-	-	-
MS4 Compliance Shift	-	-	-	-	-	-
OC Realign	-	-	-	-	-	-
Revenue Adjustment	-	52,263	52,263	-	-	-
Revenue E-Rate	-	1,321	1,321	-	-	-
School Food Revenue*	(38,000)	38,000	-	-	-	-
School Wellness Realign	-	-	-	-	-	-
Specialized Programs Surplus*	(7,343)	-	(7,343)	(7,343)	-	(7,343)
SSA CB Adjustment	8	-	8	8	-	8
UA 438 OC Realign	-	-	-	-	-	-
Vision Screening Transfer	200	-	200	200	-	200
YMI Adjustment	75	-	75	75	-	75
<b>Subtotal, Other Adjustments</b>	<b>(\$104,993)</b>	<b>\$98,135</b>	<b>(\$6,858)</b>	<b>(\$105,428)</b>	<b>-</b>	<b>(\$105,428)</b>
<b>TOTAL, All Changes Prelim. 2019</b>	<b>(\$70,222)</b>	<b>\$98,135</b>	<b>\$27,913</b>	<b>(\$94,243)</b>	<b>-</b>	<b>(\$94,243)</b>

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
<b>DOE Budget as of the Preliminary 2019 Plan</b>	<b>\$11,570,478</b>	<b>\$12,828,762</b>	<b>\$24,399,240</b>	<b>\$12,259,145</b>	<b>\$13,336,434</b>	<b>\$25,595,579</b>
<b>New Needs - Exec. 2019</b>						
Fair Student Funding	-	-	-	\$125,198	-	\$125,198
Carter Cases	80,000	-	80,000	-	-	-
Transportation	20,000	-	20,000	-	-	-
Universal Literacy Enhancements	-	-	-	30,550	-	30,550
New Schools - Maintenance & Operations	-	-	-	8,891	-	8,891
Anti-Bias Training	-	-	-	4,769	-	4,769
Civics for All	-	-	-	3,894	-	3,894
Health Ed Works	-	-	-	2,570	-	2,570
OEO Investigators	148	-	148	1,405	-	1,405
Students in Shelter Expansion	-	-	-	11,921	-	11,921
District 1 Family Resource Center	-	-	-	426	-	426
Air Conditioners	-	-	-	1,666	-	1,666
<b>Subtotal, New Needs</b>	<b>\$100,148</b>	<b>-</b>	<b>\$100,148</b>	<b>\$191,290</b>	<b>-</b>	<b>\$191,290</b>
<b>Other Adjustments - Exec. 2019</b>						
Revenue Adjustment		\$876	\$876	-	(\$79,002)	(\$79,002)
ADA Capital Work Realignment	-	(10,394)	(10,394)	-	-	-
BOE MOU Water bottle Fillers	-	80	80	-	-	-
State Aid Backfill	-	-	-	135,876	-	135,876
Building Aid for Lead Testing Remediation	-	9,761	9,761	-	8,442	8,442
CB Adjustment	0.500	-	1	0.500	-	1
CDBG	-	1,500	1,500	0.000	-	-
City Council Member Items Reallocation	2,015	-	2,015	-	-	-
Citywide Electric Vehicles	-	-	-	(18)	-	(18)
Citywide Enterprise Printing Management	-	-	-	(100)	-	(100)
Citywide Overtime Civilian Waivers	(408)	-	(408)	(1,630)	-	(1,630)
Citywide Procurement Savings	-	-	-	(4,884)	-	(4,884)
Citywide Standardized Travel	-	-	-	(391)	-	(391)
Go Pass-Volunteer Background check Program	-	-	-	300	-	300
Collective Bargaining, DC 37	0.326	-	0	0.326	-	0
Collective Bargaining Lump Sum	446,742	-	446,742	-	-	-
Service in Schools	-	-	-	135	-	135
NYC Leadership Councils	-	-	-	75	-	75
Custodial Pension Savings Transfer	-	-	-	5,172	-	5,172
DC 37 Collective Bargaining - Intra-City Funds	6	-	6	6	-	6
DC 37 Additional Compensation	3,306	-	3,306	3,306	-	3,306
Demand Response	-	113	113	-	-	-
DOE-Groundswell Mural Program	-	244	244	-	-	-
DOE Law Transfer	(59)	-	(59)	-	-	-
DSF Demand Response	-	187	187	-	-	-
VISTA Transfer	(36)	-	(36)	-	-	-
YMI Adjustments	(35)	-	(35)	(30)	-	(30)
ACS TFA Transfer	215	-	215	-	-	-
Heating Fuel Adjustment	(1,003)	-	(1,003)	7,758	-	7,758
EarlyLearn Adjustment	-	-	-	(138,761)	(157,494)	(296,255)
EarlyLearn Adjustment Fringe	-	-	-	(2,158)	-	(2,158)
ExCEL Program-Round 2	-	684	684	-	-	-
Health Savings Adjustment	29,276	-	29,276	-	-	-
IC W/DOE-ANTS Program	-	3,436	3,436	-	-	-
Reduction in OTPS Surplus Allocation*	-	-	-	(20,000)	-	(20,000)
School Food Savings*	-	-	-	(44,250)	38,000	(6,250)
Solar School Initiative	-	59	59	-	-	-
SSA Salary Schedule Fringe	1,398	-	1,398	-	-	-
SSA Salary Schedule	19,520	-	19,520	-	-	-
Vacancy Reductions*	-	-	-	(8,647)	-	(8,647)

<i>Dollars in Thousands</i>	FY 2018			FY 2019		
	City	Non-City	Total	City	Non-City	Total
Special Education Prior Year Payments*	-	-	-	(\$65,721)	\$65,721	-
Federal Special Education Prior Year Payments*	-	-	-	(18,000)	18,000	-
Heat, light and Power	17,570	-	17,570	5,097	-	5,097
<b>Subtotal, Other Adjustments</b>	<b>\$518,508</b>	<b>\$6,546</b>	<b>\$525,054</b>	<b>(\$146,864)</b>	<b>(\$106,333)</b>	<b>(\$253,197)</b>
<b>TOTAL, All Changes - Exec. 2019</b>	<b>\$618,656</b>	<b>\$6,546</b>	<b>\$625,202</b>	<b>\$44,426</b>	<b>(\$106,333)</b>	<b>(\$61,907)</b>
<b>DOE Budget as of the Fiscal 2019 Executive Plan</b>	<b>\$12,189,133</b>	<b>\$12,835,308</b>	<b>\$25,024,440</b>	<b>\$12,303,571</b>	<b>\$13,230,102</b>	<b>\$25,533,673</b>

\*These Other Adjustments are classified as savings.