

New York City Council

Hon. Adrienne Adams, Speaker of the Council
Hon. Rita Joseph, Chair, Education Committee

Report on the Proposed Fiscal 2025-2029 Capital Plan and the Fiscal 2026 Preliminary Capital Commitment Plan for the Committee on Education

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Fiscal 2025-2029 Five-Year Capital Plan

| FY25 | FY26 |
|---|---|
| \$1.5 billion since July 2024 | \$0.8 million since November 2024 |



School Construction Authority's Budget Overview

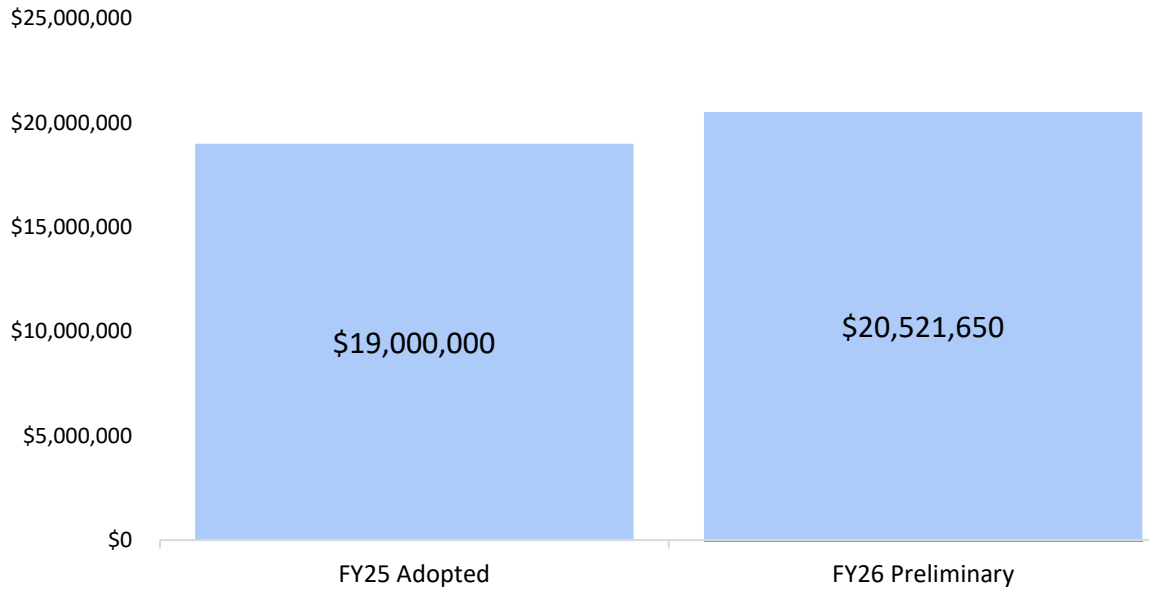
The School Construction Authority (SCA or the Authority), released the February Amendment (the Plan or Proposed February Amendment) to the Fiscal 2025-2029 Five-Year Capital Plan on February 3rd. SCA is tasked with developing and amending the Department of Education's (DOE) Five-Year Capital Plans. The Proposed February Amendment is a revised version of the November Amendment and is scheduled to be voted on by the Plan for Education Policy (PEP) in March after it will be presented to the Council to be Adopted by the end of June. The Proposed February Amendment totals \$20.5 billion. This is \$1.5 billion greater than the July 2024 Adopted version of the Fiscal 2025-2029 Five-Year Capital Plan, as shown in the chart below.

The Plan is almost entirely funded by City-financed bonds. The State issues Building Aid Revenue Bonds (BARBs) which comprised roughly half of SCA's capital funding between 2007-2015¹. In recent years, however, few BARBs have been issued as the amount of debt outstanding has neared the debt limit. The State reimburses the City for the cost of servicing the debt from the issuance of bonds for SCA projects in the form of Building Aid. Many calculations go into the formula determining reimbursement, including a standard percentage of building expenditures the State will reimburse and the maximum cost allowance, a cap on the maximum amount the State will consider for building aid revenue, and an index that is updated monthly. For Fiscal 2023, Building Aid accounted for 47 percent of debt service spending for New York City's school construction costs².

¹ IBO: Understanding School Building Aid. October 2024. <https://www.ibo.nyc.ny.us/iboreports/appendix-state-support-for-new-york-citys-education-infrastructure-understanding-school-building-aid-october-2024.pdf>.

² Ibid

Difference between July 2024 Adopted and Proposed February 2025 Amendment



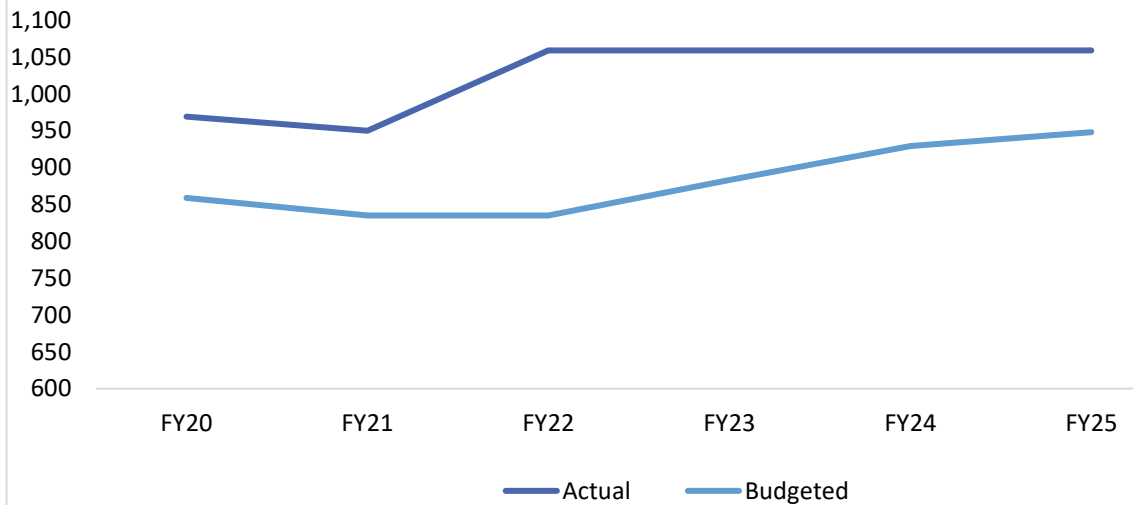
Dollars in Thousands

Source: New York City Office of Management and Budget

**FY25
Budgeted
Headcount:
1,059 full-time
positions**

**Actual
Headcount as of
November: 948
Vacancies as of
November: 111**

Budgeted and Actual Headcount FY20-FY25



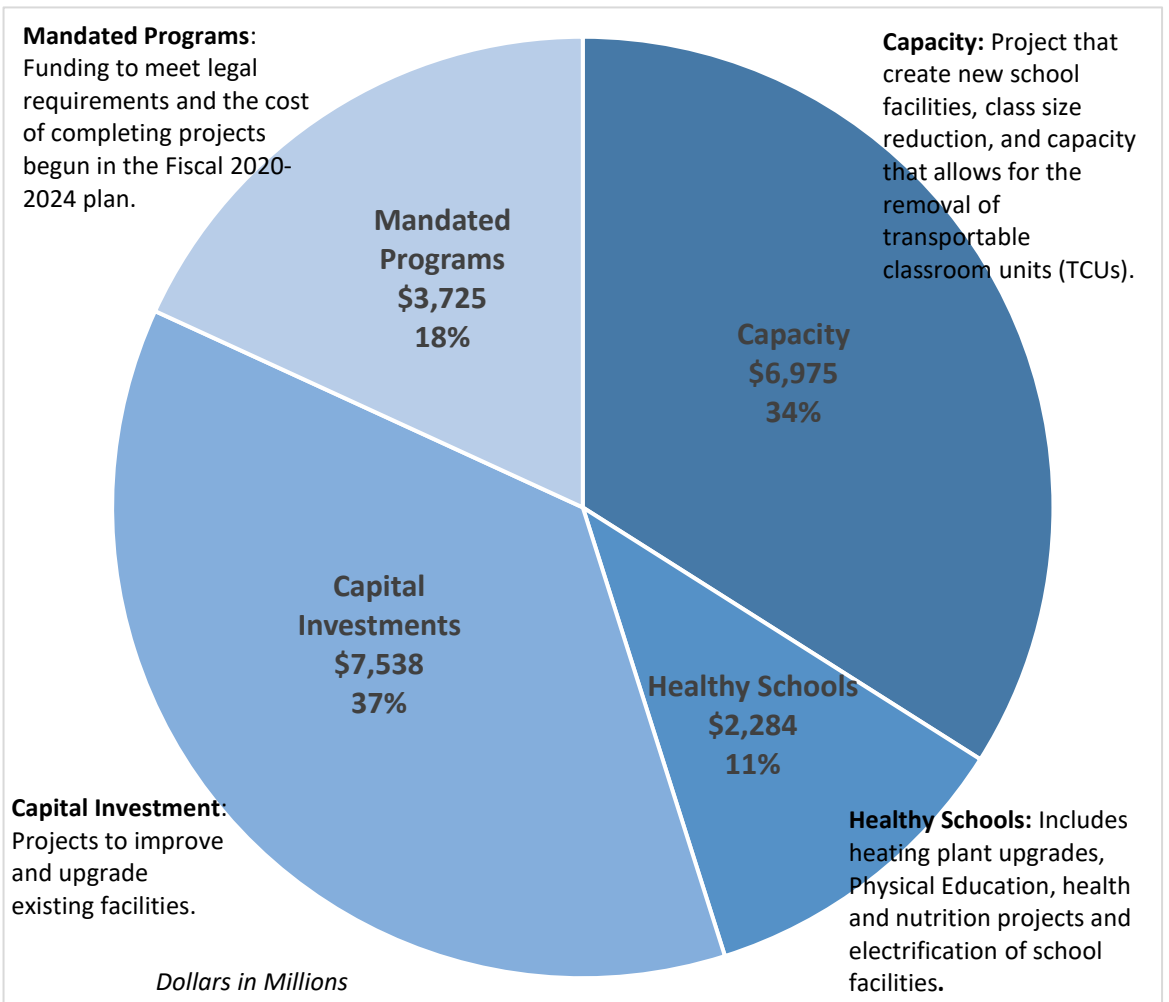
Source: School Construction Authority

Capital Plan Categories

Mandated Programs:

Funding to meet legal requirements and the cost of completing projects begun in the Fiscal 2020-2024 plan.

Capacity: Project that create new school facilities, class size reduction, and capacity that allows for the removal of transportable classroom units (TCUs).



Capital Investment: Projects to improve and upgrade existing facilities.

Healthy Schools: Includes heating plant upgrades, Physical Education, health and nutrition projects and electrification of school facilities.

Capacity Program

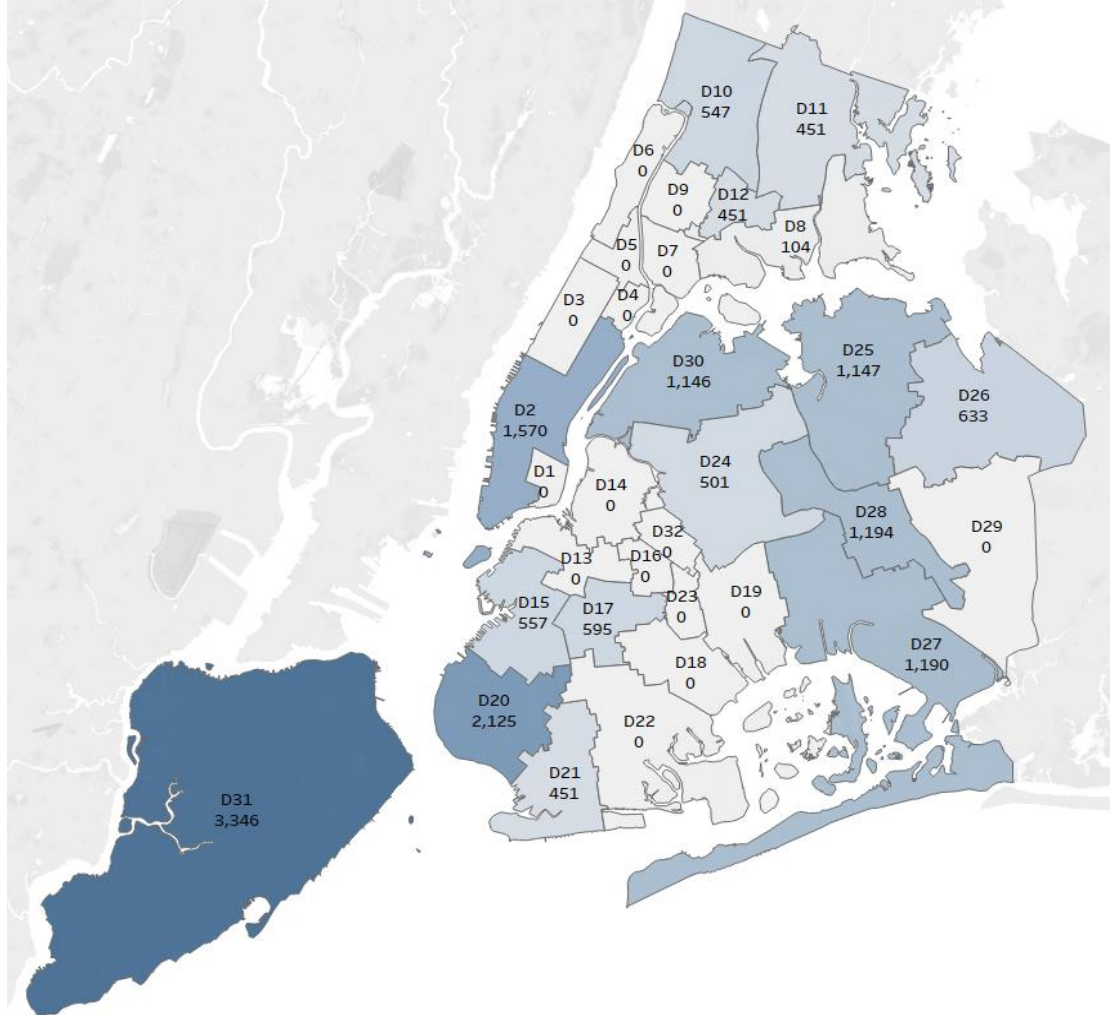
There was \$2 billion added for new capacity projects in the July 2024 plan, reflecting the State's increase of the cap on TFA bonds not subject to the City's debt limit under the condition that the \$2 billion be spent on classroom construction. This funding was specifically added to fund seats to help the City comply with the State's Class Size Law. The Plan currently includes funding for 33,417 new seats, up from 23,035 that were funded when the Fiscal 2025-2029 plan was first released in November 2023. Of the 33,417 seats, 10,596 seats have been sited by location.

An additional 7,125 seats have been designated by district and sub-district, though they are not yet sited in this Plan. This allows SCA to publicize the specific districts and neighborhoods that will need new capacity added to meet class size mandates before siting projects to specific schools. The remaining 15,696 seats are designated as Citywide. SCA will designate more seats by district and neighborhoods in future plans, but have noted that they plan to keep some seats designated as citywide, in order to retain flexibility. The map below shows where these new seats are concentrated, with community school districts 2, 20, 25, 26, 27, 28, 30 and 31 all designated to receive upwards of 1,000 new seats, while no new capacity seats are currently planned for districts 1, 3, 4, 5, 6, 7, 9, 13, 14, 16, 18, 19, 22, 23, 29 and 32.

Capacity Programs by Category (\$'s in thousands)

| Subcategory | Amount |
|--|--------------------|
| New Capacity | \$6,125,000 |
| Capacity to Support Removal of Temporary Structures | \$200,000 |
| Temporary Structure Removal / Playground Redevelopment | \$50,000 |
| Facility Replacement | \$400,000 |
| Early Education | \$200,000 |
| Total | \$6,975,000 |

Siting of New Seats in the SCA Plan



Healthy Schools

The largest subcategory within the Healthy Schools category is electrification with \$1.4 billion budgeted to fund electrification projects at 33 sites. This funding will enable DOE buildings to be in compliance with Local Law 97, which requires city-owned buildings to reduce emissions by 50 percent of their 2006 baseline. For buildings where electrification is not feasible, the SCA is also pursuing emissions reductions through heating plant upgrades. The Plan includes \$350 million for heating plant upgrade projects at 20 sites. However, the funding in the Plan does not cover the costs necessary to comply with State law requiring all fuel oil to contain 20 percent biofuel by 2030. The average cost for electrification projects is \$42 million and the average cost for heating plant upgrades to biofuel is \$17 million. However, the electrification projects affect all sources of emissions

in a building, such as cooling and refrigeration systems, , whereas the heating upgrade projects only impact a building's heating system and can only reduce emissions by 85 percent compared to electrification with 100 percent biofuel.

The Plan includes \$99.5 million for swimming pool upgrades, an increase of \$24.5 million since the July Plan. These funds would allow for the completion of six additional projects in Manhattan, Brooklyn and the Bronx. The Plan includes an increase of \$3.6 million in funding for athletic field upgrades and \$0.8 million for gym upgrades. To date, four athletic field projects, four gym upgrade projects, and 27 projects for playground upgrades have been identified as part of the plan.

Healthy Schools Category (\$'s in thousands)

| Subcategory | Amount |
|-------------------------|--------------------|
| Electrification | \$1,400,000 |
| Heating Plant Upgrades | \$350,000 |
| Athletic Field Upgrades | \$153,600 |
| Swimming Pool Upgrades | \$99,500 |
| Gymnasium Upgrades | \$40,800 |
| Playground Upgrades | \$60,000 |
| Health and Nutrition | \$30,000 |
| Cafeteria Enhancements | \$150,000 |
| Total | \$2,283,900 |

Capital Investment

The Capital Investment category includes \$7.5 billion for a portfolio of projects related to repairs, renovations and facility enhancements. The category encompasses a number of subcategories. The Exteriors subcategory includes funding for roof repairs, flood prevention and exterior masonry. The Interiors subcategory includes funding for ventilation, electrical systems and flooring projects. The Facilities Enhancement subcategory includes accessibility projects, as well as funding for library, kitchen, auditorium and bathroom upgrades. The Technology Enhancements subcategory has funding for internet connectivity projects, telephone upgrades and data and software systems. The Capital Investment category also includes Reso A funding and other Council and Mayoral funding, totaling \$1.2 billion in this Plan.

Of the \$800 million included in the Plan for accessibility projects, \$124 million has been allocated to specific projects at 10 schools in the Bronx, Queens and Brooklyn. The total \$800 million should fund 75 projects and bring roughly 40 percent of schools citywide into compliance with the Americans with Disabilities Act (ADA). Typically, accessibility projects include the installation of elevators, interior and exterior ramps, assistive listening systems and ADA compliant doors, bathrooms and signage.

Capital Investment Category (\$'s in Thousands)

| Subcategories | Amount |
|-----------------------------------|--------------------|
| Exteriors Subcategory | \$2,778,300 |
| Reinforcing Cinder Concrete Slabs | \$7,600 |
| Flood Elimination | \$750,500 |
| Reinforcing Support Elements | \$25,000 |
| Roofs | \$634,300 |
| Parapets | \$387,800 |
| Exterior Masonry | \$674,100 |
| Windows | \$298,900 |
| Interiors Subcategory | \$423,200 |
| Climate Control | \$50,000 |
| Low Voltage Electrical System | \$110,000 |
| Lighting Fixtures | \$1,400 |

| Subcategories | Amount |
|---|--------------------|
| Interior Spaces | \$10,000 |
| Electrical Systems | \$6,800 |
| Domestic Piping | \$1,000 |
| Floors | \$10,000 |
| Ventilation | \$234,000 |
| Facility Enhancements Subcategory | \$1,630,000 |
| Accessibility | \$800,000 |
| Facility Restructuring | \$250,000 |
| Safety & Security | \$150,000 |
| Innovative, Diverse, Equitable, Accessible Spaces (IDEAS) | \$100,000 |
| Kitchen Upgrades | \$75,000 |
| Career-Connected Learning Infrastructure | \$75,000 |
| Bathroom Upgrades | \$60,000 |
| Elevators | \$50,000 |
| Science Lab Upgrades | \$40,000 |
| Library Upgrades | \$15,000 |
| Auditorium Upgrades | \$15,000 |
| Technology Enhancements Subcategory | \$1,252,000 |
| Classroom Connectivity Universal (CCU) | \$675,000 |
| MDF Upgrades | \$25,000 |
| Telephone Upgrades (voice over IP) | \$280,000 |
| Data Security Tools | \$42,000 |
| Advanced Network Routing | \$24,000 |
| Fund 20K Devices per Year | \$58,000 |
| Finance Systems | \$70,000 |
| Human Resources and Payroll Systems | \$50,000 |
| Other Enterprise Applications | \$28,000 |
| Other Capital Improvement Subcategory | \$237,000 |
| Mayoral/Council Allocations | \$1,216,990 |
| City Council | \$809,900 |
| Borough President | \$234,590 |
| Mayor/Council Program | \$172,500 |
| Total | \$7,537,500 |

Mandated Programs

The Mandated programs category includes \$3.7 billion for legally required items and projects, including asbestos remediation, insurance and funding to complete projects in the prior plan. This category does not include the full scope of mandated funding, as much of the new capacity funding is mandated by the State's class size law and the electrification and heating plant upgrades funding is required by both Local and State law. In all, more than half of SCA's funding in the plan is mandated by various Federal, State and local laws.

Mandated Programs Category (\$'s in Thousands)

| Subcategory | Amount (\$ in Thousands) |
|--|--------------------------|
| Asbestos Remediation | \$250,000 |
| Lead Paint Removal | \$10,000 |
| Code Compliance | \$332,000 |
| Building Condition Surveys | \$100,000 |
| Wrap-Up Insurance | \$900,000 |
| Prior Plan Completion | \$1,406,800 |
| Emergency, Unspecified & Miscellaneous | \$726,400 |
| Total | \$3,725,200 |

Preliminary Mayor's Management Report

The Preliminary Mayor's Management Report (PMMR) for Fiscal 2025 reports on one service area and four goals for SCA noteworthy metrics that were reported are detailed below.

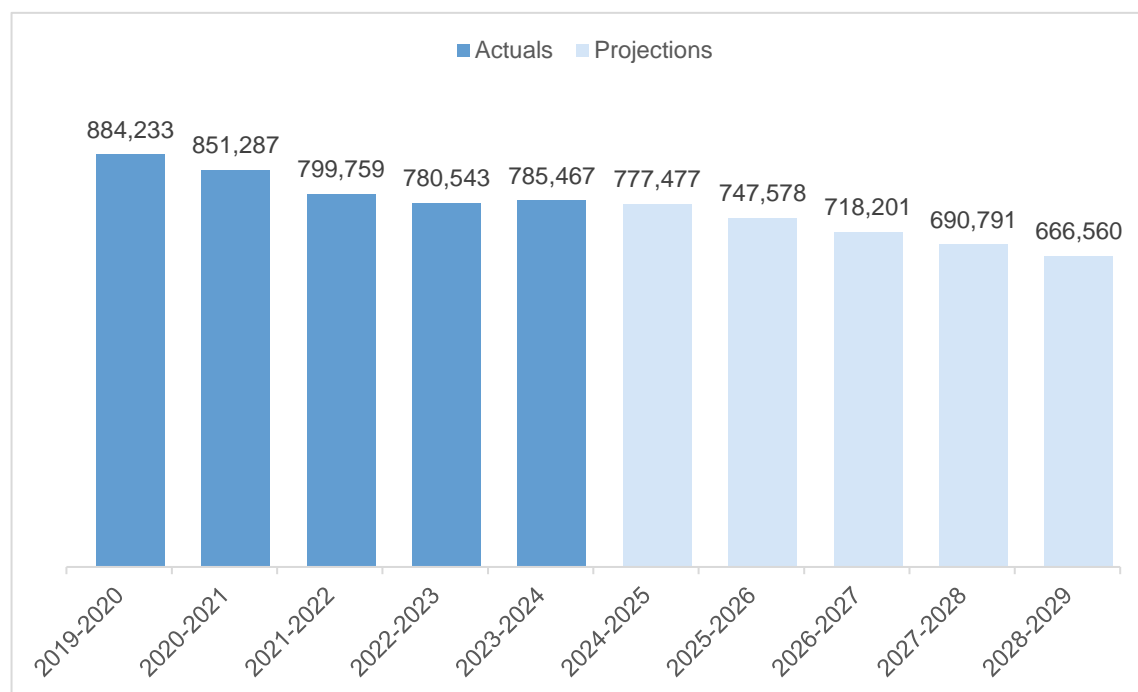
- **Capital improvement projects construction on time or early.** In the Fiscal 2025 PMMR, SCA revised this metric to increase the time frame to qualify. In previous MMRs, capital projects completed within 15 days of the scheduled date were considered on time. Using the old metric, in Fiscal 2024, only 15 percent of capital improvement projects were constructed on time or early. This marked the eight straight year that this percentage decreased, from the recent high of 86 percent in Fiscal 2016. However, the metric has been revised to consider projects completed within 30 days of the scheduled date as on time. Utilizing the updated time frame increases the Fiscal 2024 metric to 43 percent of projects completed on time. Using the new metric, the Fiscal 2025 four-month actual of projects completed on time is 50 percent, compared to 40 percent for the same period in Fiscal 2024.
- **Average construction bid price.** The average per square foot construction bid price for school capacity projects had significantly increased since the height of the pandemic due to economic constraints. In Fiscal 2024 SCA brought down the average per square foot price to \$894, from \$912 per square foot in Fiscal 2023. There is no four-month-actual for this indicator in the Fiscal 2025 PMMR.
- **Total new seats created.** In Fiscal 2024, SCA created 11,270 new seats. The Fiscal 2025 target is only 6,254 seats. If the SCA achieves this target, it would be the lowest number of new seats created in a year since Fiscal 2021. This target is significantly below the 2024 target of 10,507 from the Fiscal 2023 MMR. Given the \$2 billion added for new capacity in the Fiscal 2024 adopted capital budget and the 85,000 estimate for the number of new seats that will need to be added to meet the class size mandates by 2027, this target seems unusually low.
- **New schools constructed.** The number of new schools constructed continues to decrease. In Fiscal 2024, only 14 new schools were constructed in comparison to 23 new schools constructed in Fiscal 2023 and 32 schools in Fiscal 2022. SCA continues to build new capacity but this metric indicates that new school construction is not the main focus of new capacity strategy.
- **Capital improvement projects constructed within budget.** In Fiscal 2024, 78 percent of projects were constructed within budget. This metric has been slowly improving, increasing from 72 percent in Fiscal 2022 and 77 percent in Fiscal 2023. The four-month actual for Fiscal 2025 is 87 percent, an improvement from the 81 percent four-month actual in Fiscal 2024. The percentage will likely decline by the end of the year, as occurred in Fiscal 2024, but shows potential for improvement.

Demographic Analysis

The most recent version of the Blue Book, published in the summer of 2024, details the enrollment, capacity, and utilization rate of each school in the New York City Public School system³. The report uses the class size caps that were formalized in 2022 state law and the most recent changes to the Blue Book methodology from the 2023 edition, which reinstated the Program Efficiency Ratio used in capacity calculations for specialty instruction rooms.

SCA published their latest enrollment projections for the years 2024-2033 for New York City Public Schools in October 2024.⁴ These projections are presented annually using historical enrollment data, birth data from the Department of Health and Mental Hygiene, age population projections from the Department of City Planning, and population and demographic data from the American Community Survey. The projections notably do not include D75 enrollments. The chart below presents historical enrollment since the 2019-2020 school year and projected future enrollments through the 2028-2029 school year for K-12. Enrollment has plateaued in recent years, ending a number of years of steady enrollment decline, but SCA projects that this will be short lived and that K-12 enrollment will continue to decline, by over 14 percent by the 2028-2029 school year. The projections published in October were higher than the 2023-2032 enrollment projections published in the prior year. The increase in enrollment between the 2022-2023 and the 2023-2024 school years indicates that enrollment declines may be slowing which is now reflected in future years.

K-12 Enrollment Actuals and Projections 2019-2028



³ SCA: Blue Book. 2024. https://dnnhh5cc1.blob.core.windows.net/portals/0/Capital_Plan/Utilization_Reports/Blue%20Book%202023-2024.pdf?sv=2017-04-17&sr=b&si=DNNFileManagerPolicy&sig=DWmdXhIFuVkvS3yEK25ldqGXoPruViEyeNiU5Xpnpv0%3D

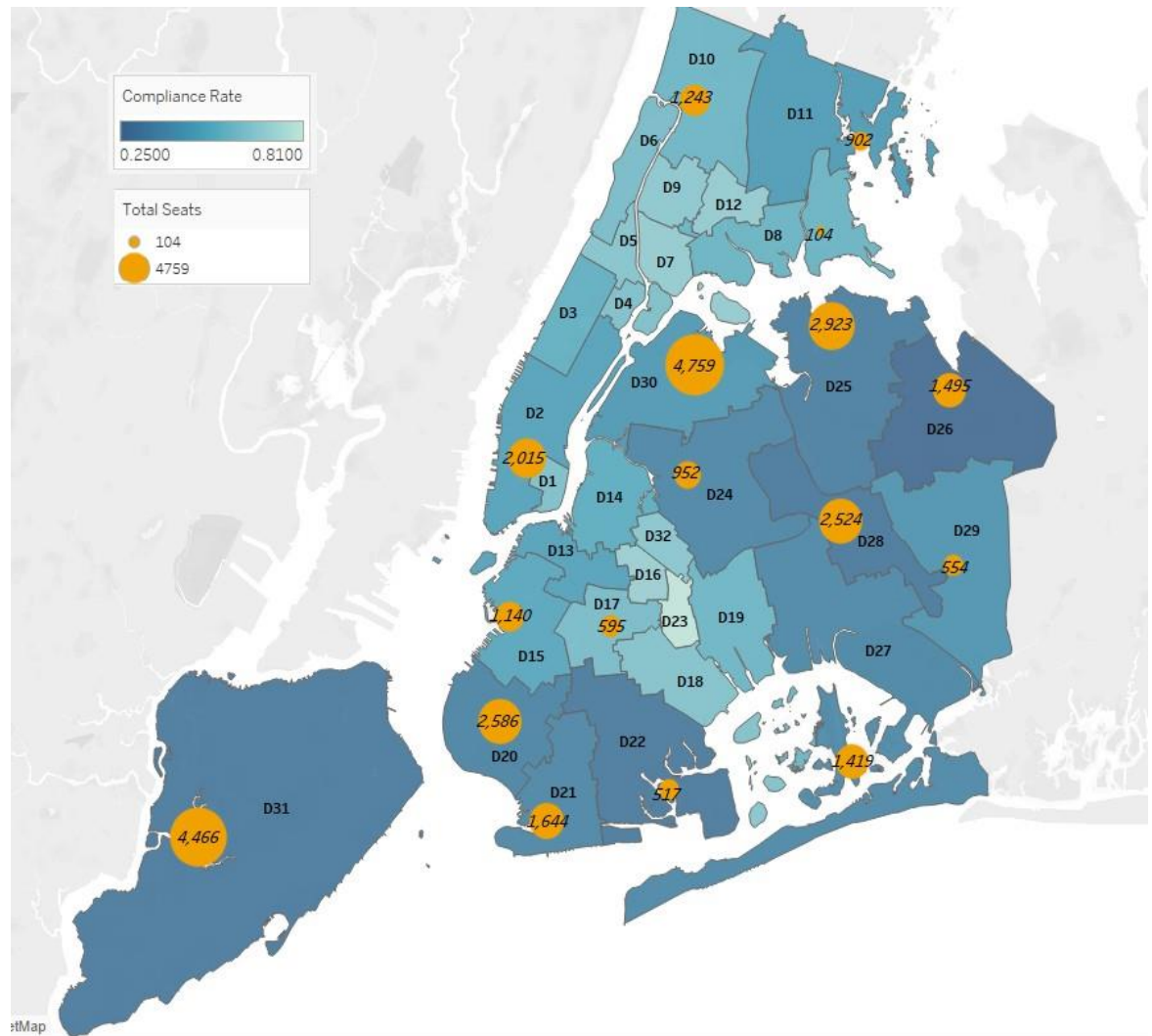
⁴ Ibid

Budget Issues and Concerns

Class Size Compliance. The State's Class Size Law, passed in 2022, gives New York City Public Schools until the 2027-2028 school year to have all applicable classes in compliance with new class size caps: 20 students per class for grades K-3, 23 for grades 4-8, and 25 for grades 9-12. The law requires 40 percent of classes to be in compliance by the 2024-2025 school year and 60 percent for the 2025-2026 school year. Currently 46 percent of classes are in compliance, indicating that DOE has met the goals for the current year, but in order to be in compliance next year, will need to further increase the rates. The map below shows the compliance rate by Community School District, which ranges from a high of 81 percent of classes in District 23 to a low of 25 percent in District 26, along with the number of new seats being added by 2028 and funded in the current Plan. For the most part, the districts with the lowest compliance rates are also the ones with the most new seats slated to be added, although some, like Districts 13, 22 and 26, still lag behind. One part of the strategy to achieve class size compliance is to prioritize new capacity for districts that cannot reach compliance without more seats being added. What the map below does not show is which districts may be better equipped to handle compliance with modifications to existing space and changes to projected enrollment in future years.

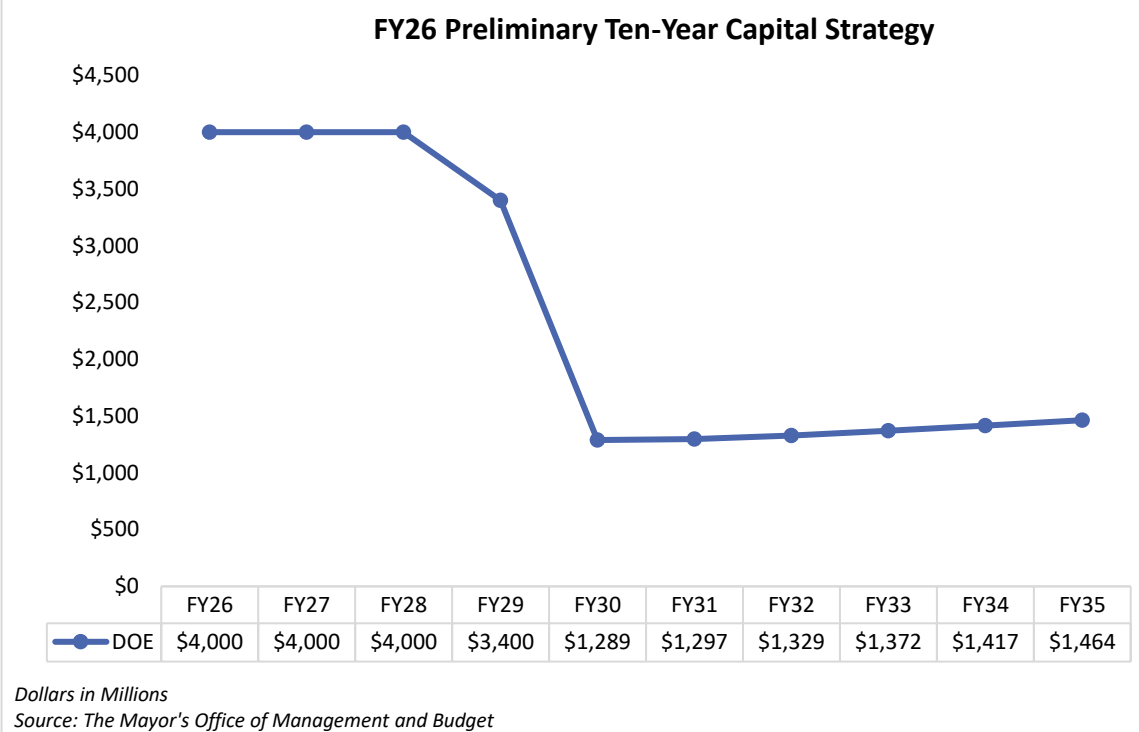
According to the SCA 70,000 additional seats are needed to meet the class size mandate. There are 33,417 seats funded in the current Plan, which includes room conversion projects. This, coupled with the 14,174 seats funded under SCA's previous Fiscal 2020-2024 Capital Plan, indicates that there is still a need to identify space for over 22,000 seats. Given the average four-to-five-year timeline for new construction to be completed, it is unlikely that any newly added seats in future plans would be online by the time the class size law is fully in effect. Other non-capital solutions will be necessary moving forward for New York City Public Schools to reach compliance.

Class Size Compliance Rates and New Seats Being Added and Funded by Community School District



Accessibility. The funding included in the Plan would bring 40 percent of schools into full ADA compliance, though currently only \$124 million of the \$800 million has been committed to specific projects. Increasing funding will allow for more projects and speed up the timeline for schools to reach compliance. However, a large percentage of schools could not be made fully accessible unless they were completely rebuilt, given space constraints and structural considerations.

**Preliminary
Ten-Year
Capital
Strategy Fiscal
2026-2035**



**Capital Plan
Overview**

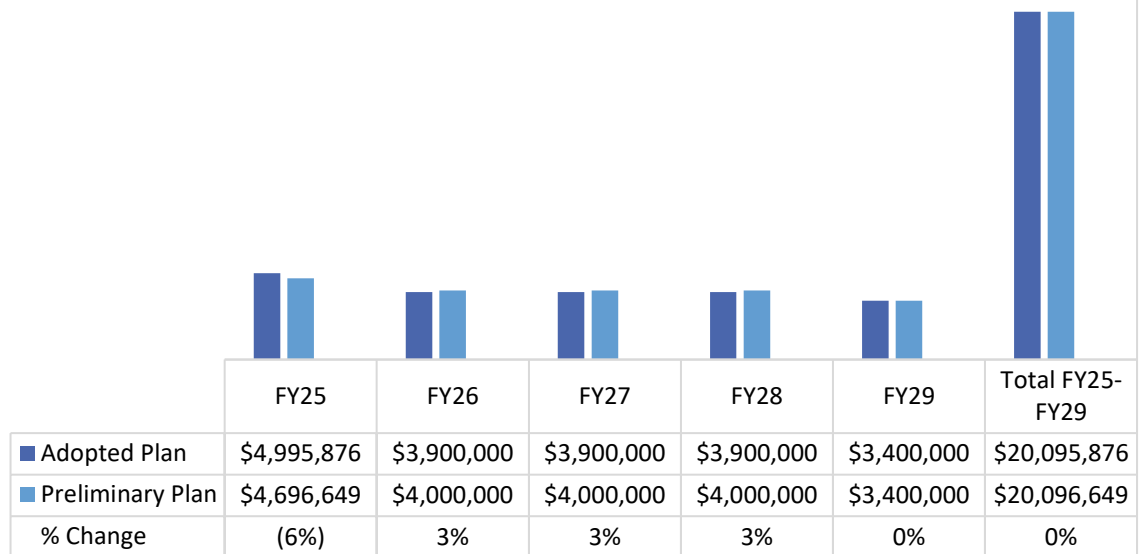
On January 16, 2025, Mayor Eric Adams released the Preliminary Capital Commitment Plan for Fiscal 2025-2029 (the Preliminary Commitment Plan).

DOE's commitments for Fiscal 2025 through 2029, as presented in the Preliminary Commitment Plan, total \$20.1 billion, less than \$1 million greater than the amount presented in the Adopted Capital Commitment Plan released in September.

The Department's planned commitments comprise 18 percent of the City's total \$113.2 billion Fiscal 2025 through 2029 Plan.

DOE's Fiscal 2025-2029 Preliminary Capital Commitment Plan is currently aligned on the same timeline as SCA's Plan. This occurs every five years, as the rest of the time the DOE's commitment plan bridges multiple SCA plans and thus does not align with any one SCA plan. SCA's Plan makes up almost the entirety of DOE's Capital Commitment Plan, though it also includes small amounts of funding outside of SCA's portfolio in Fiscal 2025 only for Early Learn centers and Superstorm Sandy-related work.

Capital Commitment Plan



Dollars in Thousands

Source: New York City Office of Management and Budget

Appendix

Appendix A: New Seat Capacity Sited and Designated by School District from Fiscal 2025-2029 Capital Plan

| School District | Sub-District | February 2025 Total Funded | February 2025 Total Funded (Non-District 75) | February 2025 Total Funded (District 75) | Sited? |
|-----------------|---|----------------------------|--|--|--------|
| 2 | Chelsea / Midtown West | 686 | 686 | 0 | Yes |
| 2 | Tribeca / Village | 433 | 433 | 0 | Yes |
| 2 | Upper East Side | 451 | 451 | 0 | No |
| 8 | Soundview | 104 | 92 | 12 | Yes |
| 10 | Spuyten Duyvil / Riverdale / Fieldston / North Riverdale | 547 | 451 | 96 | Yes |
| 11 | Van Nest / Pelham Parkway | 451 | 451 | 0 | No |
| 12 | Tremont / West Farms | 451 | 451 | 0 | No |
| 15 | Carroll Gardens / Gowanus / Redhook | 557 | 461 | 96 | Yes |
| 20 | Borough Park / Kensington / Bensonhurst | 451 | 451 | 0 | No |
| 20 | Dyker Heights | 451 | 451 | 0 | No |
| 20 | Owls Head Park / Bay Ridge | 547 | 451 | 96 | Yes |
| 21 | Gravesend | 451 | 451 | 0 | No |
| 24 | North Corona / South Corona / Leffak City / Elmhurst | 451 | 451 | 0 | No |
| 25 | Beechhurst / College Point / Whitestone | 451 | 451 | 0 | No |
| 25 | Flushing / Murray Hill / Willets Point | 696 | 600 | 96 | Yes |
| 26 | Bayside / Auburndale | 451 | 451 | 0 | No |
| 26 | Oakland Gardens / Fresh Meadows | 182 | 182 | 0 | Yes |
| 27 | Far Rockaway | 419 | 323 | 96 | Yes |
| 27 | Ozone Park / South Ozone Park / Richmond Hill / Woodhaven | 696 | 600 | 96 | Yes |
| 28 | Rego Park / Forest Hills / Kew Gardens / Jamaica | 451 | 451 | 0 | No |
| 30 | Long Island City / Ravenswood | 1,146 | 1,050 | 96 | Yes |
| 31 | New Dorp | 764 | 668 | 96 | Yes |
| 31 | North Shore | 781 | 685 | 96 | Yes |
| 31 | South Shore | 451 | 451 | 0 | No |
| | Brooklyn High School | 1,842 | 1,746 | 96 | Yes |
| | Queens High School | 2,010 | 2,010 | 0 | No |
| | Staten Island High School | 1,350 | 1,254 | 96 | Yes |
| | Citywide | 15,696 | 15,696 | 0 | No |
| | Total | 33,417 | 32,349 | 1,068 | |

Appendix B:Total New Seats To be Added from 2020-2024 and 2025-2029 Capital Plans

| School District | New Seats |
|-----------------|-----------|
| 1 | 0 |
| 2 | 2,015 |
| 3 | 0 |
| 4 | 0 |
| 5 | 0 |
| 6 | 0 |
| 7 | 0 |
| 8 | 104 |
| 9 | 0 |
| 10 | 1,243 |
| 11 | 451 |
| 12 | 451 |
| 13 | 0 |
| 14 | 0 |
| 15 | 1,140 |
| 16 | 0 |
| 17 | 595 |
| 18 | 0 |
| 19 | 0 |
| 20 | 2,586 |
| 21 | 1,644 |
| 22 | 517 |
| 23 | 0 |
| 24 | 952 |
| 25 | 2,923 |
| 26 | 1,495 |
| 27 | 1,419 |
| 28 | 2,524 |
| 29 | 554 |
| 30 | 4,759 |
| 31 | 4,466 |
| 32 | 0 |