

**Testimony of NYC Schools Chancellor Richard A. Carranza
on the Mayor's Fiscal Year 2021 Executive Budget
Before the NYC Committees on Finance and Education**

May 12, 2020

Introduction

Good morning, Chair Dromm, Chair Treyger, and all the members of the Finance and Education Committees here today. I am Richard Carranza, and I have the privilege of serving as New York City Schools Chancellor. Joining me this morning is Ursulina Ramirez, Chief Operating Officer for the New York City Department of Education, or DOE, and Lindsey Oates, Chief Financial Officer for the DOE.

Thank you for the opportunity to testify on Mayor de Blasio's Fiscal Year 2021 Executive Budget as it relates to the DOE. I hope that you and your families are all safe and healthy.

We are almost two months into a pandemic that has had catastrophic impacts on our city, including the closing of our school buildings from March 16 until the end of this school year. This has been a painful time and we are all devastated by the lives lost throughout this crisis. At the DOE, we have lost more than 70 of our colleagues. Our communities will never be the same without them, and we owe a debt of gratitude to all of our staff on the front line, as well as our first responders and all the essential workers across the city.

Having seen firsthand the incredible resilience and commitment of our DOE staff, students, and families, as well as New Yorkers generally, I know that we will get through this together.

I would also like to express my gratitude to Speaker Johnson, as well as Chairs Dromm and Treyger and the entire City Council for all you have done and continue to do on behalf of New York City schools, and especially our historically marginalized students. You remain fierce advocates for equity in our school communities, and we are grateful to have you working with the DOE on how best to provide for all the students of New York City during this time. Your insights and support have been crucial in the midst of this crisis.

As you all know, the pandemic has also had a devastating effect on the City's fiscal condition.

Executive Budget

As a result of the near-complete shutdown of the New York economy, the NYC Office of Management and Budget is projecting City tax revenue declines of \$7.4 billion against prior expectations across FY 2020 and FY 2021. Furthermore, the State's Enacted Budget left a nearly \$400 million shortfall in the funding we were owed for schools, which the City had to backfill.

This is the troubling financial backdrop against which the Mayor has announced painful cuts to City agencies and our school system. The DOE's FY 2021 Executive Budget of approximately \$34.2 billion includes \$27.5 billion in operating funds and another \$6.7 billion in education-related pension and debt service funds.

Our funding is a combination of City, State, and federal dollars, with City tax levy dollars making up the largest share at 57 percent, State dollars at 36 percent, and federal dollars at 6 percent. The Executive Budget includes \$111 million in reductions and savings from current-year operations for DOE, and \$471 million in reductions and savings for FY 2021.

The federal response has not matched the economic impact of this pandemic. The federal CARES Act provided funding to State governments to distribute. New York State switched out that funding for their own, using it to backfill a \$700 million year-over-year reduction in State Aid. Additionally, the State budget allows the Governor to make mid-year cuts as the pandemic progresses, with the potential to cause budget gaps for us in FY 2021. We expect the state to announce further large cuts to our budget as soon as this week.

This economic reality requires the City to make hard decisions, including painful education budget cuts. These are cuts of shocking magnitude.

We first began in our central budget, slashing programs including some of our hallmark Equity and Excellence programs, such as College Access for All, and programs like Civics for All. Other centrally administered areas targeted for reductions in FY 2021 include professional development spending reductions, hiring freeze savings, and delaying the expansion of 3-K programs, among others.

But the degree of reduction necessary meant DOE could not take these cuts purely out of our administrative budget, and budget cuts to our schools now include a \$100 million reduction to Fair Student Funding and a \$40 million reduction to other funding streams. As an educator at heart, I cannot overstate how troubling this is. And I want to be very clear that school-based cuts are absolutely a last resort and we are doing everything we can to avoid or minimize pain for school communities, student learning, and the educators who serve them.

We are working internally and with our city partners to come up with an equitable methodology that minimizes the impact to our most vulnerable communities. But as a former teacher and principal, very few things break my heart more than having to go through this exercise of trying to save resources for our schools.

Let me be clear: under these circumstances, and without additional direct support from the federal government, we simply cannot afford to maintain school budgets and programs at FY 2020 levels.

You will hear me detail the incredible work of our staff and families—none of which will be possible without adequate funding going forward.

This City Council has consistently been partners in advocating for adequate funding and more resources for our school communities and I know you will continue your advocacy to our congressional delegation for additional direct aid to localities in future relief bills.

COVID-19 Response

Within days after this crisis began, we engineered the complete transformation of our educational system, closing school buildings and bringing learning and teaching for 1.1 million students online. This shift to remote teaching and learning poses all kinds of challenges, and can't possibly equal the richness of classroom experience--but it was the best option to sustain our connections with students. Several weeks in, I can honestly say I am in awe of what our staff and families have done to make this new reality work much better than anyone could have anticipated.

During a crisis like this, it can become easy to lose sight of our broader goals for New York City's schools and children. But from the beginning of my tenure, Equity and Excellence for All has been my focus. This Administration has made historic investments in education initiatives as part of our Equity and Excellence for All agenda to improve outcomes for our students. We have and will continue to use that same lens throughout this crisis and beyond, even as we adapt to a radically changing landscape.

I'll begin by diving further into remote learning services and supports for our 1.1 million students.

Technology Distribution

This transition demanded we figure out a way to bridge the digital divide as quickly as possible. We are the only major district with a substantial effort to provide remote learning devices to students. Immediately, we began distributing approximately 175,000 existing school-based devices to students in need, while collaborating with partners to bring hundreds of thousands of internet-enabled iPads to students who previously lacked the means to access remote learning.

Distribution of centrally-purchased devices began with our most vulnerable students: 13,000 students living in shelter, followed by students in temporary housing and foster care, high school students, multilingual learners, and students with disabilities. This has been critical in allowing us to provide related services for students with IEPs through teletherapy where appropriate.

To date, we have distributed more than 280,000 internet-enabled devices across the city to ensure our students have access to remote learning.

This was a heavy lift, but absolutely necessary—and would have been impossible without the Council's longstanding and continuous investment in technology for our schools.

Regional Enrichment Centers

Our Regional Enrichment Centers (or RECs) educate and provide safe spaces to the children of first responders and other essential workers. To date, over 8,800 students were given placement across 57 REC sites in addition to a range of child care sites for children ages zero to five.

We will be operating these spaces for as long as necessary so that essential workers have the child care they need.

Meal Hubs

In addition to RECs, schools are being used in yet another unprecedented way. We have opened nearly 450 Meal Hubs across the city that are safely providing 3 meals a day to anyone who needs them, both children and adults. Our numbers continue to increase, and to date we have served over 10 million meals and now exceed 500,000 meals served daily.

These sites provide Halal and Kosher meals to those who need them—including expanded Halal meals during Ramadan.

This has been a huge accomplishment and I can't tell you how proud I am of everyone on our team for ensuring that New Yorkers remain nourished during this destabilizing pandemic.

Student Wellness

We know that remote learning during this time remains an immense challenge given the stress and trauma facing our students and families. We also know that healthier students are better learners. So we have focused on ensuring that our students receive access to supports needed to promote their health, wellness, and engagement.

I want to acknowledge that the City Council, and especially Chair Treyger, have been key partners in our ongoing work to address the needs of the whole child. Your commitment to ensuring that students have access to social and emotional supports has been essential to their well-being during such unsettling times.

Through our “WellnessDOE” program, schools are conducting universal Wellness Checks, especially for our vulnerable student populations, working to identify less engaged students and making sure they are properly supported. We have created resources to promote SEL practices through remote learning and we have provided direct clinical supports to students since the day remote learning began.

School Reopening

We are of course eager, like everyone else, to reopen our schools and return to classroom learning. However, we recognize the gravity of the situation and the need to center this decision on the health and safety of our students, families, staff, and city.

This is going to be a process, and a gradual one at that. We will not reopen a day before public health experts say it's safe. We are looking at different options for how to resume “in person” instruction, and our goal and focus is on returning to buildings in September.

Even with all the work we have done to make remote learning as successful as can be, we know that there will be a new level of work required from us, from ensuring buildings are safe, to rethinking health protocol to addressing learning loss, to providing heightened social emotional supports. We will continue to keep you updated and solicit your feedback as alternatives are evaluated and hope to provide as much clarity as soon as we can to allow for maximum planning and understanding.

Conclusion

I hope that this paints a useful picture of how critical public education is in these unprecedented times. Our city, state, and nation's health and economy have been ravaged by this crisis. Our resolve and resilience are being tested daily. Hard choices that we could not anticipate nor wanted to make are foisted upon us on a daily basis. But that is exactly WHY we cannot abandon investment in this work—why now, more than ever, it's critical to the future of our students, families, neighborhoods, and our city.

The Department of Education is all in, doing everything that we can to equitably navigate these challenges. *My* commitment is that supporting our students, families, and educators will always be front and center—no matter what. And we need you—the City Council's continued feedback, advocacy, and wholehearted dedication to our 1.1 million students.

I thank you for your time, and we will be happy to answer any questions you may have.

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