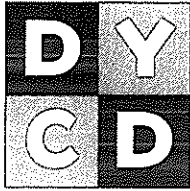


Executive Budget Hearings

Finance/Education/Youth
Services/Transportation

Date	5/21/08
Start Time	
Finish Time	



**NEW YORK CITY
DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT
SERVING NEW YORK CITY YOUTH, FAMILIES, AND COMMUNITIES**

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JEANNE B. MULLGRAV
Commissioner

**BILL CHONG, DEPUTY COMMISSIONER
NYC DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT**

**BEFORE
THE COUNCIL OF THE CITY OF NEW YORK
COMMITTEES ON YOUTH SERVICES AND FINANCE**

FISCAL YEAR 2009 EXECUTIVE BUDGET

MAY 21, 2008

Good morning, Chairmen Fidler and Weprin and members of the Youth Services and Finance Committees. I am Bill Chong, Youth Services Deputy Commissioner for the New York City Department of Youth and Community Development. On behalf of Commissioner Jeanne B. Mullgrav thank you for the opportunity to discuss the Fiscal Year 2009 Executive Budget as it relates to DYCD's programs.

Since we last met at the Preliminary Budget hearing in March, economic reports have confirmed the national economy is slowing and New York City's economic outlook is uncertain. Tax revenues are running higher than expected but forecast to decline in Fiscal 2009.

Mayor Bloomberg, in partnership with the City Council, practiced responsible fiscal management. This helped us weather these times and put us on the path to close budget gaps in Fiscal Year 2009 and the out years.

Sound fiscal policies again require us to make some difficult choices. As part of the Executive Budget, OMB requested all City agencies to identify savings of 3% next year. DYCD's share is \$5.5 million in Fiscal Year 2009 and the out-years.

DYCD's Fiscal Year 2009 Executive Budget is \$324.7 million.

- 61 percent is city tax levy
- 28 percent is federal dollars, and
- 11 percent is state and other funds.

At the March hearing, we identified several initiatives to achieve City savings in 2009:

- The elimination of four vacant positions to save \$234,000.
- \$1.18 million in additional Federal revenue for literacy services for eligible Safety Net clients.
- \$2.6 million in savings by holding Out of School Time (OST) providers accountable for achieving attendance targets.
- The Fiscal 2009 Preliminary budget also proposed savings of \$2.3 million from 66 City tax-levy funded Beacon programs.
- It also proposed a reduction of \$3.15 million to the Summer Youth Employment Program tied to 2,100 summer jobs.

Despite economic difficulties, the Executive Budget preserves all of DYCD core services. Similar to efforts on the Preliminary Budget, we sought to identify savings which would not impact services.

- This includes \$624,000 in State reimbursement for Out-of-School Time (OST) services for young people who have active child welfare cases.
- While we continue to seek additional cost saving measures, with all available budget options exhausted, the Executive Budget proposes reducing summer slots by an additional 3,386 to realize a savings of \$4.88 million dollars. At this funding level we anticipate enrolling at least 32,614 young people. This is a particularly difficult choice as over 103,000 young people applied for a summer job. However, the \$24.34 million proposed in the Executive Budget represents a 32% increase in City tax levy funding to support SYEP since 2004. The City's share of the program costs will grow from 43 percent to 51 percent.

We thank the Council for its support of SYEP and for calling on the Federal government to again fulfill its obligation to fund this important program.

These are tough choices. But because of the investments made in our services by Mayor Bloomberg in partnership with the City Council over the past several years, DYCD is a more vibrant and innovative agency. These investments are particularly important because they offer help to the hundreds of thousands of New Yorkers who are most adversely impacted by these difficult economic times.

- For example, the Executive Budget includes \$40.46 million to preserve all 80 Beacon programs. Despite the savings proposed in the Preliminary Budget, more than 82,000 residents, including 16,000 middle school youth will be served.
- The Executive Budget also provides \$120.88 million for the OST Program. With the addition of 112 new elementary school programs started in January, next year more than 78,000 young people will be provided with high quality after school services across our portfolio of 644 OST programs.

As indicated by the second year evaluation conducted by Policy Studies Associates, OST has a profound and beneficial impact on young people. A similar evaluation is underway to ensure that Beacon programs are delivering high-quality services and taxpayers' money is being used efficiently.

We are particularly pleased that 80 percent of parents rated the OST program as "excellent" or "very good." Parents can go to work, school or a job training program knowing their children are in a safe and positive environment.

Center for Economic Opportunity

Through the Mayor's Center for Economic Opportunity (CEO), DYCD continues two anti-poverty initiatives launched in October 2007:

- \$4.4 million will support the Teen ACTION (Achieving Change Together in Our Neighborhood) program. The program engages more than 3,200 middle and high school students in positive civic activities and promotes responsible behaviors. The goal is to reduce the risk of teen pregnancy, sexually transmitted diseases and substance abuse. We are pleased with the results of the first year of the program. Providers exceeded their enrollments targets and 65 percent of programs met their participation goals.
- \$9.2 million to serve more than 1,300 young people through the Young Adult Internship Program (YAIP). This program provides disconnected youth, ages 16 to 24 with educational workshops, counseling and paid internships. The program reconnects youth to work, advanced training or education. The preliminary results of the first cycle are encouraging. Of the 453 youth enrolled, nearly 70% have already been placed in higher education, advanced occupational skills training or a job.
- We are delighted to announce another pilot project with CEO. \$709,000 will be allocated to fund the Literacy Program for Disconnected Youth. This program will serve 16 to 24 year old youth from low income communities who are not employed or in school and have low literacy skills. Young people will receive pre-GED instruction and comprehensive support services to help them successfully complete the program. The program targets youth who are seeking GED test preparation classes but lack the necessary reading and writing skills to enroll. The program also features a special funding incentive. Providers who meet the challenging outcome of the program are eligible for a bonus of up to \$10,000 in additional funds.
- This new program complements our other Adolescent, Adult and Family Literacy programs. Through these services we anticipate serving over 12,000 youth and adults in a broad range of reading, writing, English-language and GED programming. DYCD's total investment in literacy services will be over \$15 million.
- CEO also allocated \$245,000 for ACCESS NYC. This online resource provides a single point of entry to access City, State and Federal human services benefits.

Ladders for Leaders

Ladders for Leaders will be continued next year. Funded through private donations from our partnering organizations, participants receive job readiness training, college awareness presentations and an opportunity to interview for summer internships paid by employers. For our current program cycle, over 200 young people are being interviewed for internships.

Cost of Living Adjustment

Much of what DYCD accomplished during the past six years is due to the hard work of the dedicated staff of our community-based organization partners. We are pleased that Mayor Bloomberg recently announced a three percent Cost of Living Adjustment for City funded programs. Additional increases in the outyears will be provided through productivity initiatives that will generate savings and will be re-invested in worker salaries.

Contract Actions

Continuing to build on the successes of the past six years, we anticipate releasing several Request for Proposals (RFP) in the coming months to enhance services. On May 14th DYCD released an RFP for **Technical Assistance Services** to help community-based organizations foster high-quality services. Other upcoming RFPs include:

- **Neighborhood Development Area (NDA) Program** key service areas are being refined. They include Adult Literacy, Senior Services, Housing Assistance, Immigrant Support Services and Middle and High School Educational Support and Leadership. These services are targeted based on needs expressed by the 43 NDA communities.
- **Runaway and Homeless Youth/Street Outreach Services** enhances the continuum of care model and build on capacity developed in partnership with the Council. Services include street outreach and transportation, drop-in centers in all five boroughs, Crisis Shelters and Transitional Independent Living Programs.
- **Summer Youth Employment Program** will strengthen its emphasis on the professional development of youth, and
- **Out-of-School Time programs** will re-examine the high school program model and current best practices to better serve older youth.

Conclusion

New York City's economic outlook is uncertain and this budget helps the City in meeting its fiscal needs. It also demonstrates the Mayor's commitment to high-quality programs that will help young people and their families weather these economic difficulties and prepare them for a lifetime of success.

Thank you for the opportunity to discuss DYCD's Fiscal Year 2009 Executive Budget and how we plan on continuing to move the agency forward.

I am joined by Suzanne M. Lynn, Deputy Commissioner for Community Development and John V. Cirolia, Assistant Commissioner for Contract Agency Finance. We are pleased to answer any questions you may have.

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Joel I. Klein
Chancellor

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Testimony of Kathleen Grimm
Deputy Chancellor, Finance and Administration

Executive Budget - Capital
Committees on Education and Finance

May 21, 2008

Good morning Chair Jackson, Chair Weprin, and members of the Committees on Education and Finance. My name is Kathleen Grimm, Deputy Chancellor for Finance and Administration. I am joined by Sharon Greenberger, President of the School Construction Authority and Jamie Smarr, Executive Director of the Education Construction Fund. We are pleased to be here to discuss the Department's capital budget with you today.

This is the fourth amendment to the Department's 2005 – 2009 Five Year Capital Plan. In July we begin the final year of implementation of the Plan, which has effected significant improvement in the environment of our school children. We are on target to meet our commitment to the Children First Initiatives, reduce overcrowding and to improve the quality of our existing facilities.

Very little has changed in the Plan since we last appeared before you in March. The February 2008 Amendment was approved by the Panel for Educational Policy in February; it is based on the original \$13.1 billion funding level and includes an additional \$690 million made available through other funding sources, including the generous support of the City Council and Borough Presidents.

As you know, this Amendment is supported with \$6.5 billion of State funding secured through an historic agreement announced on April 24, 2006, by the Mayor, the Governor, the leaders of the State Legislature and the City Council. Since that agreement, we immediately resumed the site acquisition, design, procurement and award of dozens of new school buildings and

hundreds of rehabilitation, restructuring and enhancement projects at existing schools that had been put on hold pending State funding.

Specifically, we have awarded and started construction on thirty-nine capacity projects which will provide over 25,000 seats when completed. These projects include the long-sought Sunset Park High School and Midwood High School addition, as well as James Monroe High School Building Annex, PS/IS 237 in District 20 and the PS/IS at the site of the former PS 44 Annex on Staten Island.

This Amendment maintains the same format and is divided into three main areas: restructuring current school space, new capacity, and investing in our existing assets, also known as Capital Improvement Projects (CIP).

Restructuring of Current School Space: \$3.3 billion provides for restructuring, including School Improvement and Restructuring Allocations (SIRAs) for existing schools, the creation of new Partnership and Charter Schools, and specialized capital investments such as computer labs and technology, safety enhancements, expansion of library and physical fitness space and conversion of administrative space to classrooms to ensure that our schools can provide all their students with a sound basic education.

New Capacity: \$4.7 billion provides for 100 new school facilities containing more than 63,000 seats to eliminate overcrowding, an additional 3,500 replacement seats are in process or have been created bringing the total number of seats being created under the plan to more than 66,000. These seats will also enable schools to reduce class size in the critical K-3

years and allow schools to transition from the use of transportable classroom units, which have limited life spans.

Investing in Existing Assets: \$5.8 billion is provided for CIP projects, including exterior and interior building upgrades, mandated programs and other necessary repairs. The Department inspected each school's condition (BCAS), as we do annually, and updated the CIP program based on new inspection-related needs. The Department also committed that each annual Amendment would define one additional year of specific CIP projects. The November 2006 Amendment reflected, for the first time, specific CIP projects for all five years of the Capital Plan. The November 2007 Amendment continued this practice and included an attachment identifying potential capital improvement projects for the first year of the next Plan. This is also reflected in this February Amendment.

Another feature reflected in the Plan is our sustainability efforts. As you know, New York City's new Green Building Law, Local Law 86, took effect on January 1, 2007. New York City is among the first districts (and the largest school district) in the nation to have sustainable school guidelines enforced by law. The Department plans to exceed the Local Law 86 requirements by mandating certification under its Green Schools Guideline Rating system for not just 50% of projects but for all applicable projects. These projects whose design began after January 1, 2007 are being designed and constructed in accordance with these Guidelines, and will meet stringent energy and water conservation requirements. In addition to the green building standards, we follow strict environmental protocols at all of our

sites, whether leased or owned, to ensure the safety of our students, staff, and surrounding community.

The Educational Construction Fund (ECF) is another component of the Plan. As a financing and development vehicle of the New York City Department of Education, ECF encourages comprehensive neighborhood development by constructing mixed-use real estate projects which feature new school facilities. ECF projects are funded via an issue of tax exempt bonds, which are repaid with revenues from leases between private developers and ECF. As such, no City capital funding is required for ECF projects. This mechanism allows us to be creative in our ability to construct new school facilities, thereby increasing the number of seats for the entire school system. We currently have 2 ECF projects in process – new facilities for East Side Middle School and for PS 59/Art and Design High School.

Process

We are very proud of the transparency we have brought to the Plan adoption process. The Department committed to reevaluate the capacity needs every year and to reflect any changes in the annual Amendments. In addition to coming before the City Council each year, we go to all of the Community Education Councils and meet with elected officials and community groups. This annual Amendment process enables us to respond to changing demographic trends by adjusting for growth and decline in seat need throughout the City.

The November 2006 Amendment incorporated, for the first time since this Plan was adopted, updated demographic information. This information

takes into account enrollment changes, and shifting population trends. Specifically, this includes births, immigration, migration, as well as new residential construction planned for occupancy in the next five years. The Department prepares projections for five years and ten years into the future in order to ensure that capital funds are not expended to meet only short-term anomalies in enrollment. In addition to the Plan and its amendments, our current enrollment projections are all posted on our website, and as a result of comments we have received we are going to start putting housing information on the web as well.

For this Proposed Amendment, we do not see a need for another demographic adjustment based on current trends. However, we do see additional potential growth in several districts, especially districts 2, 14, 15, 24 and 30. We need to further track trends in these districts to fully understand the scope of this growth. As the housing market continues to evolve, additional districts may require future adjustments in their capacity recommendations. We continue to monitor both enrollment trends and the housing market, to ensure our projections reflect the anticipated changes to enrollment at a district level. Confirmed enrollment growth projections for districts will be translated into additional seat needs for the 2010-2014 Five Year Capital Plan. We also appreciate insight from Council Members on potential sites in districts where there is projected need. As the elected local representatives of your communities, we know that you are close to the ground and may have information about lots or buildings that may be suitable for school sites.

The Community Education Councils (CECs) provided us with their input on specific school conditions again this year. I personally attended 16 of the 27 CECs that conducted hearings, and of that, 24 submitted comments. This represents increased participation by the CECs this year than in previous years. As a result of the public hearings held by the CECs last year, we incorporated 17 of their prioritized needs in the February 2007 Proposed Amendment. Their remaining requests were reviewed and more than 40 additional projects were incorporated in the November 2007 Amendment. The maintenance-related requests were referred to the Division of School Facilities and many are in process or have been addressed. We followed this process with the CECs again this year, and an additional 17 projects have been added. In all, we have included 74 projects in the Capital Plan per CEC recommendations. The remaining requests will be reviewed for possible inclusion in the next Capital Plan, a draft of which will be released in November. We find this process extremely helpful, and it has highlighted the importance of the Councils' input and the depth of commitment each member has to our school children. We appreciate the vigilance of our Councils and the enormous effort expended by them throughout this process.

Progress

It takes time to find sites, design, and then build new schools, but we're beginning to see the fruits of our labor now. Over 50,000 new seats will come on-line over the next four years as a result of this historic Plan. We project 10,207 seats for this coming September; 11,890 for September 2009; 15,921 for September 2010; 10,002 for September 2011; and 4,211 seats in September 2012. That's a total of 52,231 seats out of the 63,000 in new

capacity, which will go a great way to eliminate overcrowding in our schools. We are excited to be opening 17 new school buildings across each of the five boroughs in the fall. Among the school buildings whose doors will open this September are the Family Court building in downtown Brooklyn, the Elmhurst Educational Campus in Queens (formerly known as the Art Leather building), a new facility for Gregorio Luperon High School in upper Manhattan, IS/HS 362 in the Bronx, and IS/HS 43 on Staten Island. A new home for El Puente at Transfiguration in Brooklyn will also open this fall.

We are grateful to the Council for your approval of several sites since March including an addition for 94x in District 10 as well as three sites approved by the Land Use Subcommittee just yesterday: a new PS/IS at the schoolyard of 163K in District 20, a new PS/IS in the schoolyard of PS 48Q in District 28, and a new PS/IS 276 in Battery Park City in District 2. Another newly-identified site was announced by the Mayor and Chancellor earlier this month: the longtime Greenwich Village headquarters of New York Foundling will be transformed into an elementary school serving the children of Manhattan's District 2. We are excited that this project will add 560 seats, helping to address the severe overcrowding that exists in District 2.

You will remember that when we set out, the goals of this Plan were to alleviate overcrowding, eliminate the use of transportable classroom units (also known as trailers), and to support the core tenets of the Children First reforms, which included a prioritization of science labs for middle schools and expansion of Pre-K. We have come a long way toward meeting these

goals. Now, we are looking toward the next Capital Plan, and this Amendment includes a preliminary view of the 2010-2014 Plan. The information presented includes an overview of the issues and strategies behind the formulation of the next plan as well as a list of capital improvement projects envisioned for 2010. We look forward to working with the City Council, and in fact, we've already heard from many of you, on how to shape our next Capital Plan.

Sharon will now discuss the contents of this February Amendment more specifically, after which we will be happy to answer your questions.

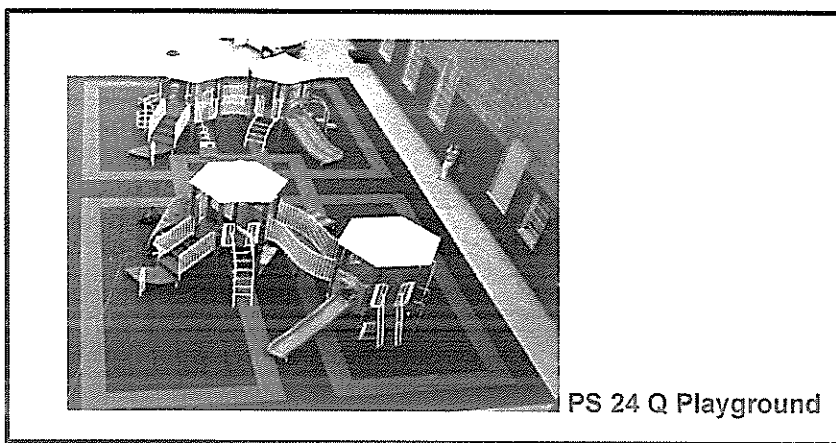
Resolution A ("Reso A") Capital Funds Spring 2008

What Are Resolution A Projects?

Resolution A ("Reso A") projects are school-specific capital improvement or enhancement projects that are funded by individual grants from the Borough Presidents or members of the New York City Council. These projects are very important to the school community because they help the Department of Education to enhance facilities in existing school buildings. Once a Borough President or City Council member decides to designate a grant, the School Construction Authority (SCA) is responsible for scoping out the project and overseeing the design and construction.

In past years, Reso A projects have included:

- ▣ Auditorium and gymnasium improvements
- ▣ Installing security cameras
- ▣ Upgrading libraries
- ▣ Providing mobile science carts
- ▣ Building science labs
- ▣ Supplying technology and equipment
- ▣ Refurbishing playgrounds



Potential Reso A Projects

Reso A projects can take several months to construct and the school may need to vacate the space for the duration of construction. It's also important to know that construction projects may require extensive asbestos abatement. If this is the case, the funding for the project must come along with funding for asbestos abatement. Also, the Facilities Team at the Integrated Service Center (ISC) must approve any project that would change the use of a school room.

This list serves only as a guide to assist in the selection of a project for your school needs.

Auditorium Upgrade - may include some or all of the following:

- ▣ Sound and projection systems
- ▣ Stage lighting
- ▣ House lights
- ▣ Seating (restoration is recommended over replacement)

NYC DEPARTMENT OF EDUCATION

- Floor replacement
- Stage and window curtains: stage curtains are a costly item; they must be fireproof and their replacement must also include replacement of the rigging system.

Gymnasium Upgrade - may include some or all of the following:

- Lighting
- Bleachers
- Floors
- Backboards and other equipment
- Sound system

Library

- **Upgrade:** May include furniture, data lines, floors, some electrical work, and computer equipment.
- **New:** May include all new walls, floors, and electrical wiring, furniture, and data lines.
- **New:** Creation of a totally new library may require combination of two or more rooms and require Integrated Service Center (ISC) Facilities Team approval.

Science Lab

- **Upgrade:** May include the refurbishment of existing furniture, upgrading the gas, electric, and water lines, new floors, and lighting fixtures.
- **New:** Middle schools usually require demonstration labs. This is a classroom with a demonstration table containing gas, electric, water, and a preparation area.
- **New:** High Schools generally require a Science Suite. This includes a demonstration lab, full science lab, and a preparation room. Construction of such a suite may require the combination of several classrooms and Integrated Service Center (ISC) Facilities Team approval.

Playground - may include some or all of the following:

- Playground equipment
- Safety matting
- New pavement: if the pavement is cracked or damaged, the pavement will need to be removed and resurfaced.
- Subsurface and drainage: if the pavement has depressions, or if the drains do not function, it may be necessary to excavate the area, determine the cause of the problem, and possibly replace the drain lines and backfill the area.

Security Cameras

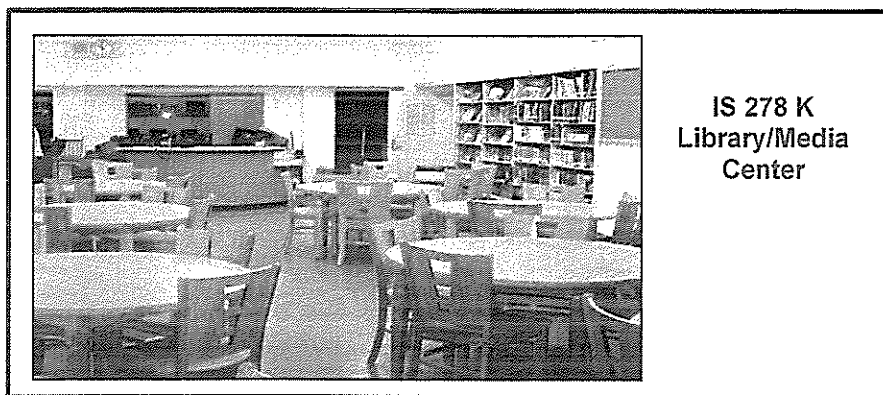
Mobile Science Carts

- Technology based science curriculum provided on a mobile cart with handheld probes and science based software.

*Technology**

- Mobile computer carts
- Smart Boards
- Desktop computers: the school should have a secure room with adequate electrical receptacles for charging.

*For more information on technology projects, e-mail ResoA@schools.nyc.gov



IS 278 K
Library/Media
Center

Budget Timeline

2	April	School notified by elected officials
3	June	City budget negotiations and approvals
3	July	City budget year starts
1	Aug/Sept	Program under review for capital eligibility and funding
3	October	SCA receives final budget authorization from the Office of Management and Budget
3	November	SCA begins scope/design process; project begins (see average months for delivery below)

Project Milestones

- 2 **Scope:** The designer meets with the school administration to discuss the project specifics. The designer will produce a scope report that defines work to be performed, preliminary cost estimate, design, and construction time duration
- 3 **Design:** Complete set of construction/contract documents for the Bid and Award process
- 2 **Phasing schedule:** Work hours are determined and areas to be used by the contractor established (estimated 3:30pm start time for interior work)
- 3 **Bid and Award:** Public advertising, bid opening, and award of contract
- 3 **Construction:** Project mobilization begins and includes preconstruction meetings, permitting, and site safety plan, etc.

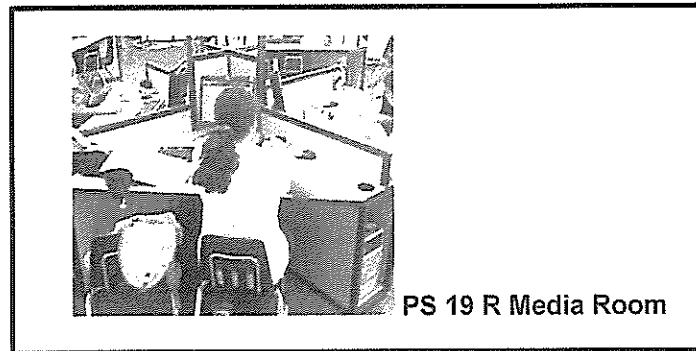
Technology purchases do not follow this process and may be ordered immediately upon SCA receiving budget authorization.

Cost and Timeframe Estimates

<u>Project Type</u>	<u>Average*</u>	<u>High*</u>	<u>Average months for delivery</u>
Auditorium (upgrade)	\$ 400,000	\$1,000,000	22
Gymnasium (upgrade)	\$ 300,000	\$ 450,000	20
Library	\$ 550,000	\$1,000,000	20
Science Lab (upgrade)	\$ 500,000	\$ 850,000	20
Science Lab (new**)	\$2,000,000	\$3,750,000	20
Playground	\$ 400,000	\$1,100,000	18
Security Cameras	\$ 550,000	\$1,000,000	12
Mobile Science Carts	\$ 50,000	\$ 65,000	6

*Average and high costs based on 2005, 2006, and 2007 figures (provided as general guidelines)

**Costs are dependent upon grade level and number of rooms



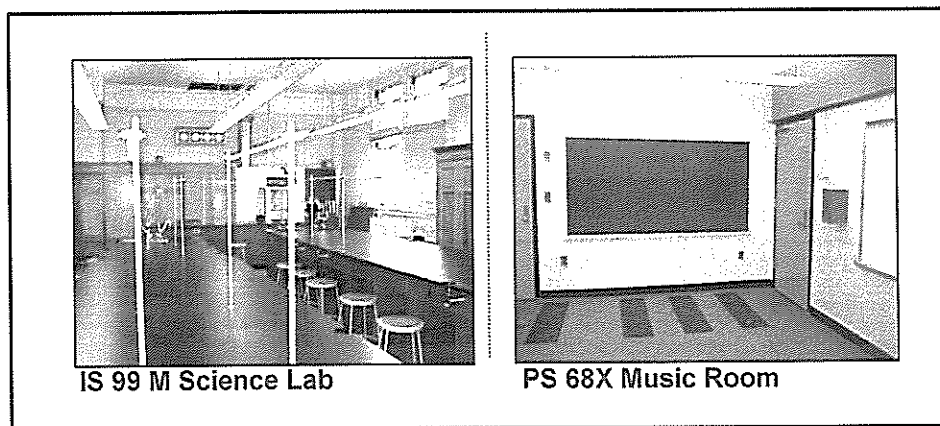
Capital Eligibility for “Reso A” Projects

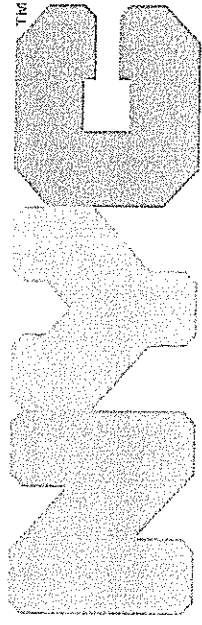
The following is a list of criteria that establish capital eligibility for “Reso A” projects:

- All grants must be a minimum of \$35,000.
- Capital construction projects must provide a permanent enhancement to the facility.
- All equipment must have a lifespan of five years.
- Technology grants must be used to purchase networkable desktops, laptops, and/or Smart Boards that access the facilities LAN System.
- Window air conditioning projects are only capital eligible if every classroom and office, excluding Public Assembly spaces, in the building are retrofitted; thus creating a building-wide air conditioning system.

The following are examples of projects/items that are not capital eligible and cannot be funded through the “Reso A” program:

- Window air conditioning units
- Library books
- Loose classroom furniture
- Photocopiers
- Software
- Toner cartridges and other technology based supplies
- Subscriptions
- Staffing
- After school programs





**Department
of Education**

New York City



School Construction Authority



**FY 2005 - FY 2009
Capital Plan Update**

**New York City Council Hearing
May 21, 2008**

NYC Department of Education
 FY 2005 - FY 2009 Five Year Capital
 February 2008 Amendment

GRAND TOTAL	February 2008 Proposed Five Year Total
	13,793.15 Million
Restructuring School Space	3,243.1 Million
New Capacity	4,709.1 Million
Investing in Existing Assets	5,841.0 Million

NYC Department of Education
FY 2005 - FY 2009 Five Year Capital Plan
FY 08 - 09 Anticipated Spend
Summary

	FY 2008 Total	FY 2009 Total
GRAND TOTAL	3,385.74 Million	3,325.50 Million
Restructuring School Space	772.6 Million	1048.2 Million
New Capacity	867.7 Million	1441.0 Million
Investing in Existing Assets	1745.5 Million	836.4 Million

NYC Department of Education
 FY 2005 - FY 2009 Five Year Capital Plan
 FY 05 - 07 Obligations Summary

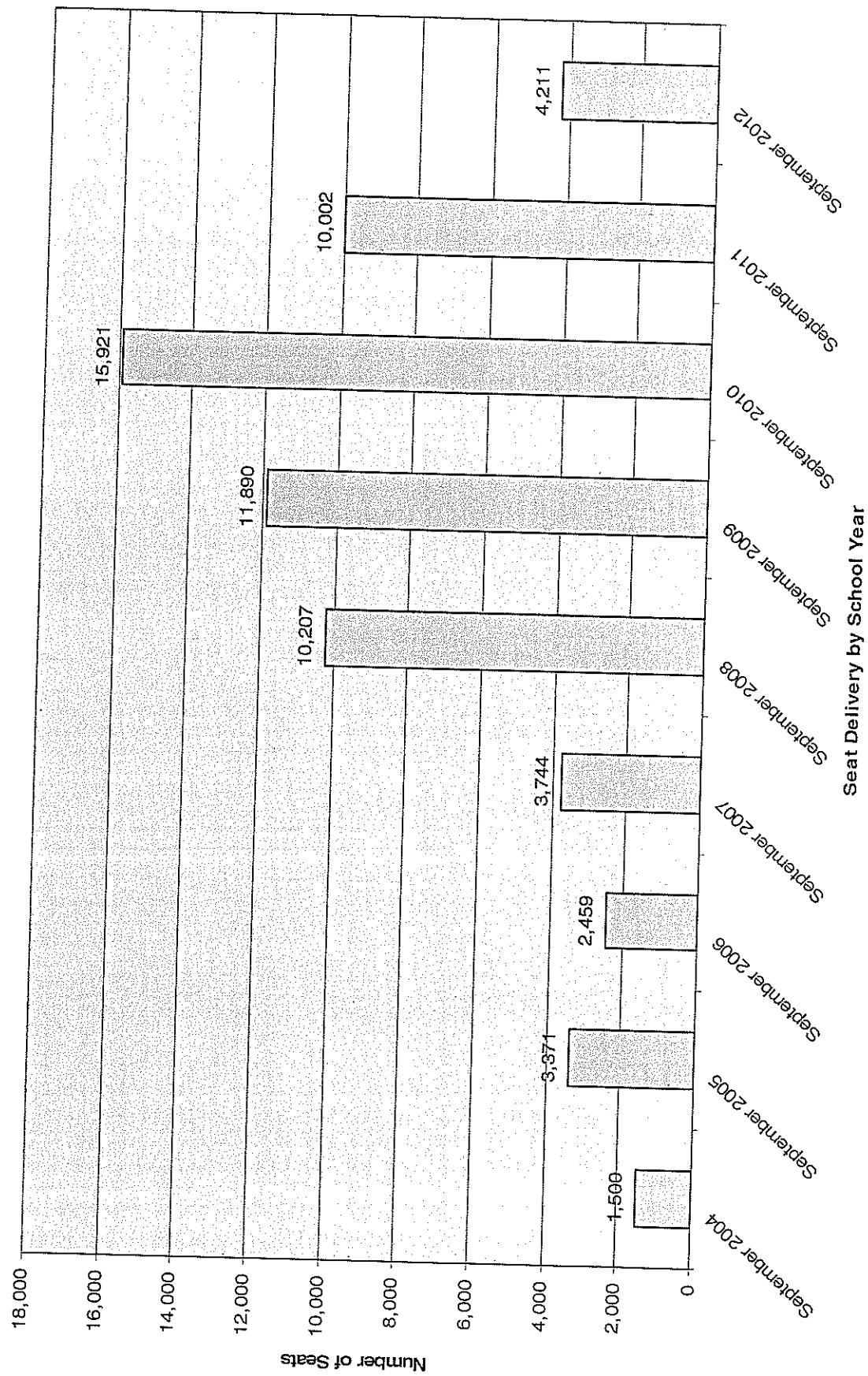
	FY 2005 Total	FY 2006 Total	FY 2007 Total
FY OBLIGATIONS	2,240.45 Million	1,891.47 Million	3,043.55 Million

NYC School Construction Authority
FY 2008 COMMITMENT PLAN SUMMARY
Date as of 05/07/08

Category	Number of Projects Awarded	Total Obligations
CIP	633	\$ 656,356,601
Capacity	7	\$ 285,411,000
LEASE	2	\$ 69,000,000
OTHER *	N/A	\$ 582,132,399
Total	642	\$ 1,592,900,000

* Other category includes Wrap-up Insurance, Technology program and SCA Operating costs.

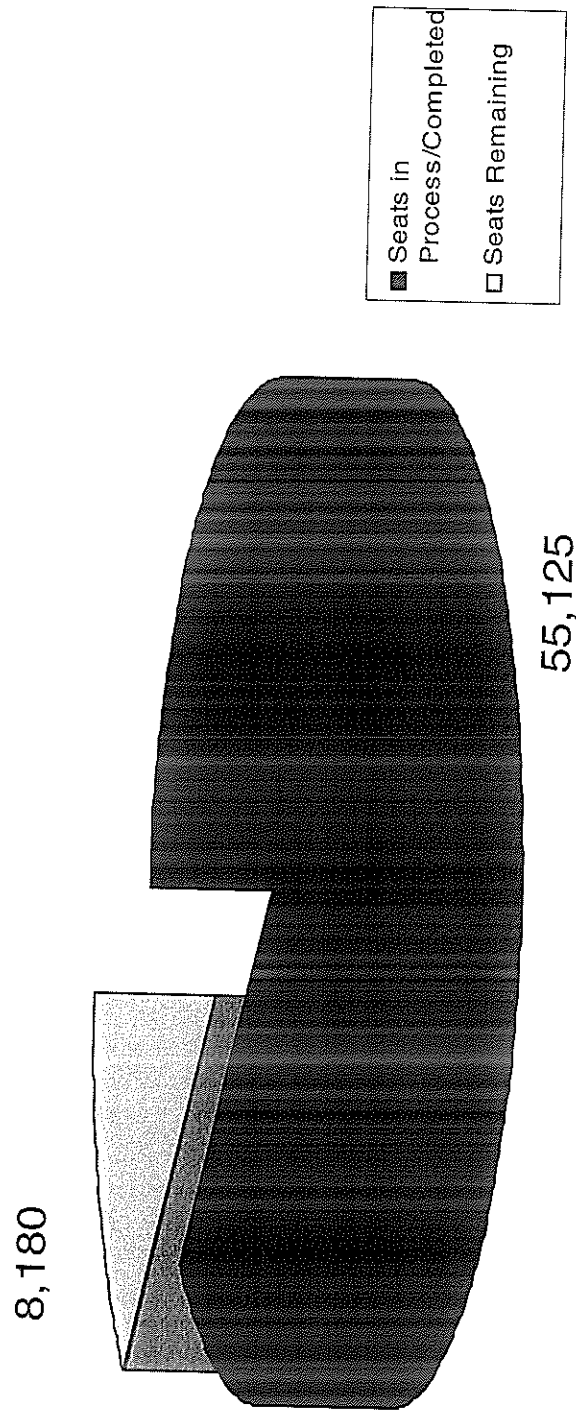
Anticipated Capacity Created Through FY 2005 – 2009 Capital Plan



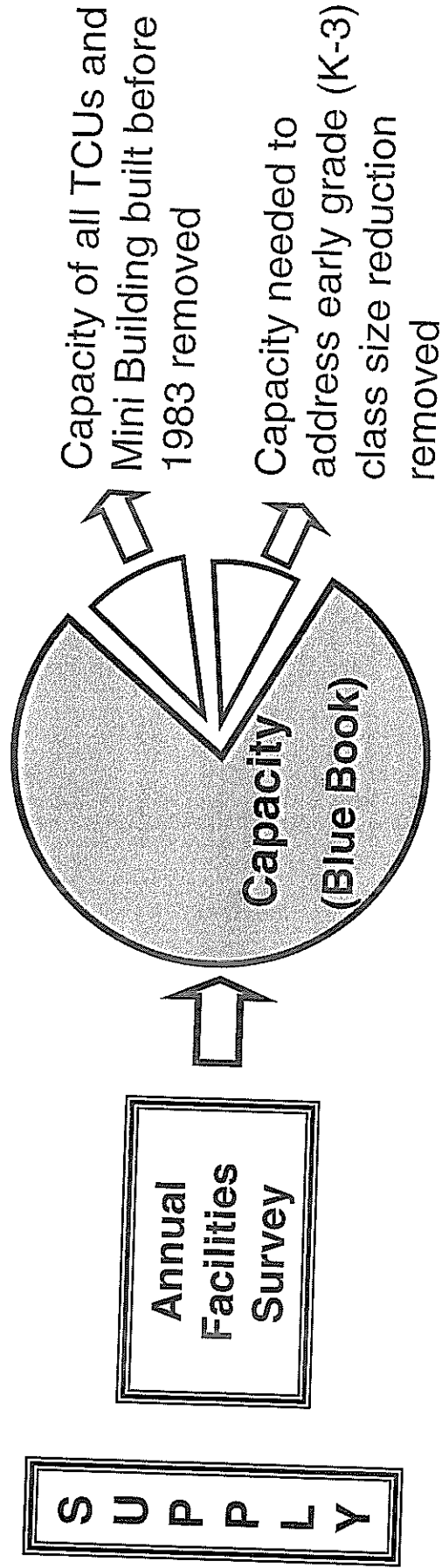
NYC School Construction Authority
2005-2009 Capital Plan
Capacity Projects Status

Capacity Status as of May 2008		
Total Number of Capacity Seats	63,305	
Seats in Process/Completed	55,125	
Percentage in Process/Completed	87.1%	

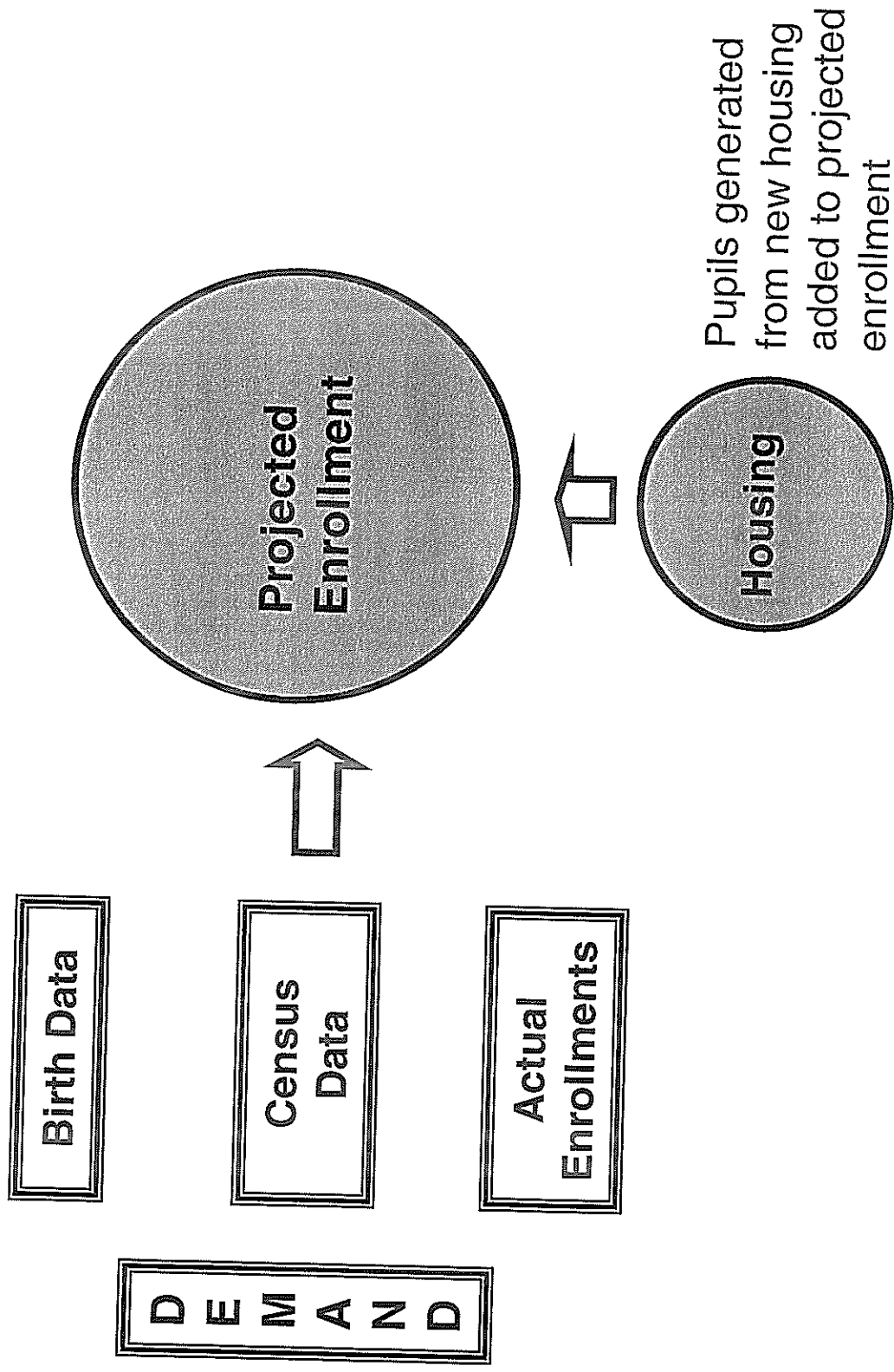
Capacity Status May 2008



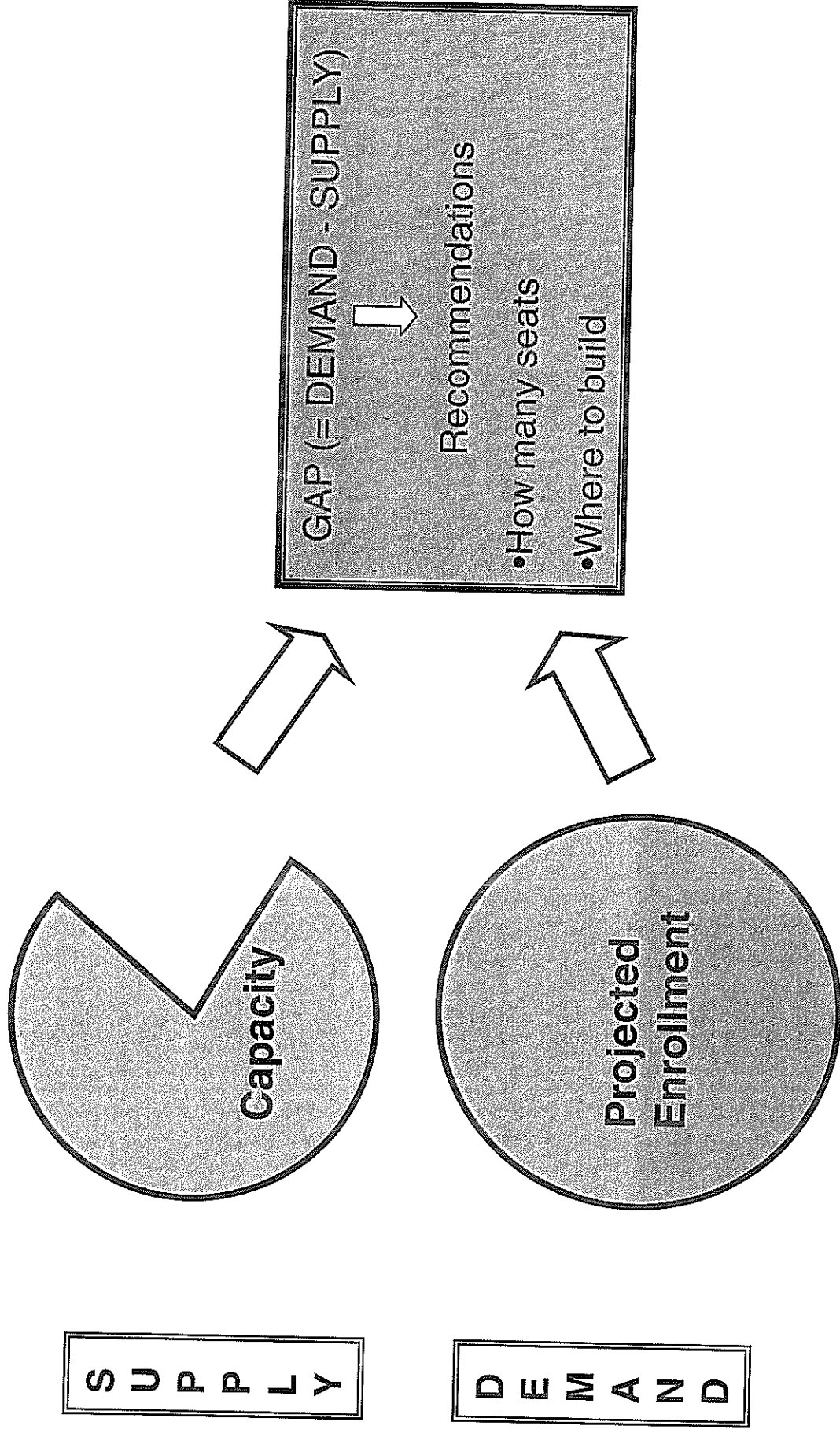
CAPACITY RECOMMENDATION FLOW CHART--SUPPLY



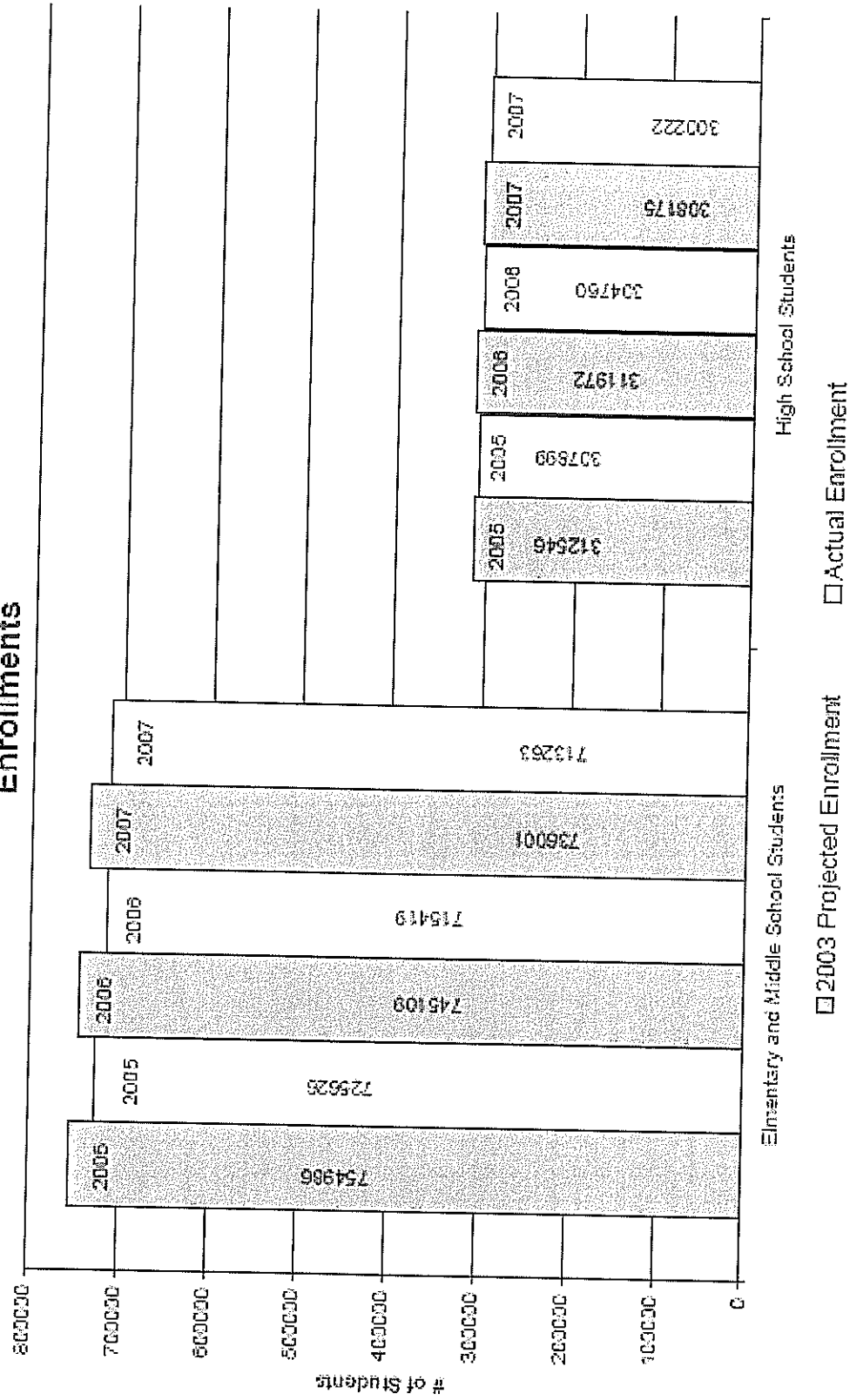
CAPACITY RECOMMENDATION FLOW CHART--DEMAND



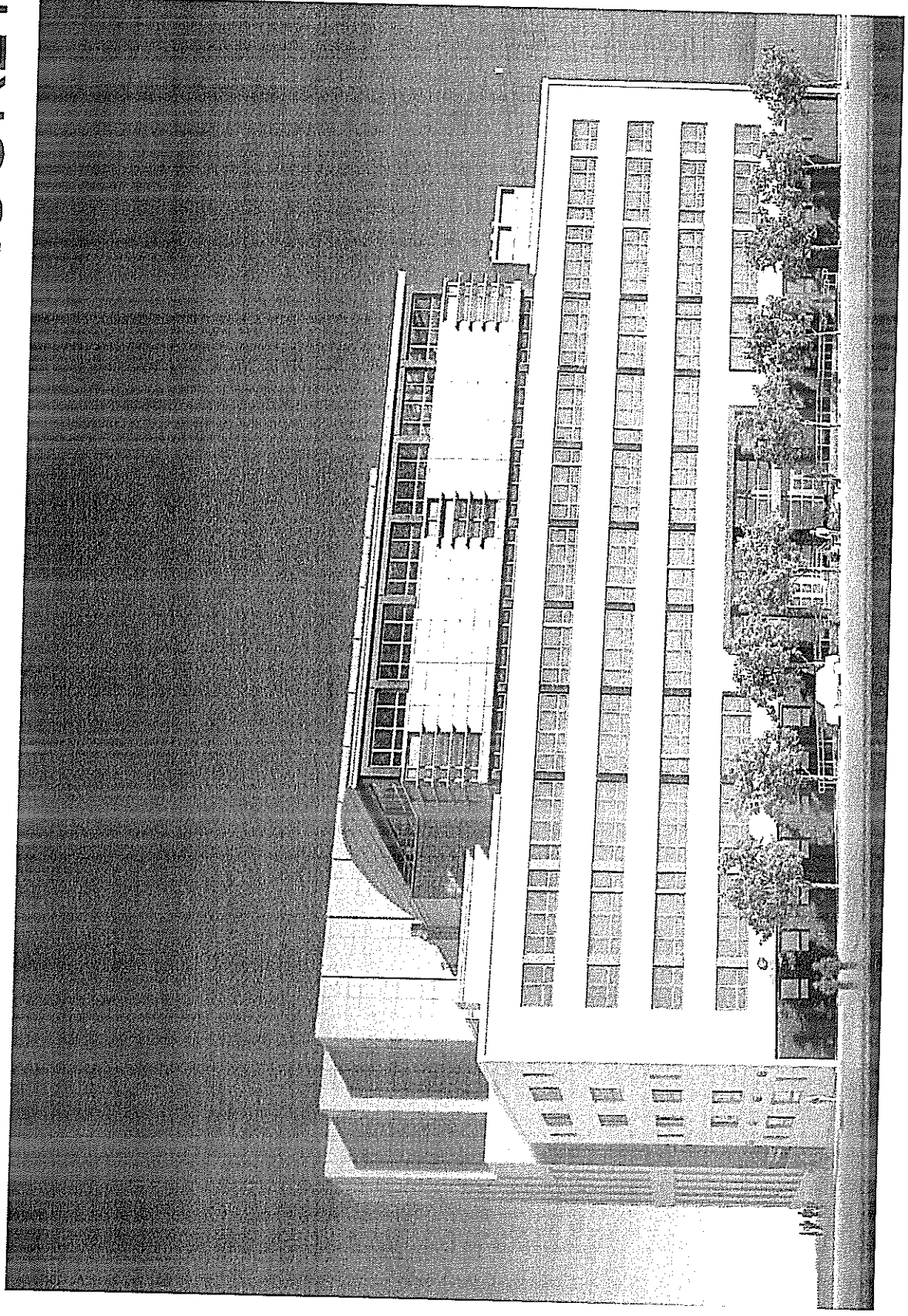
CAPACITY RECOMMENDATION FLOW CHART



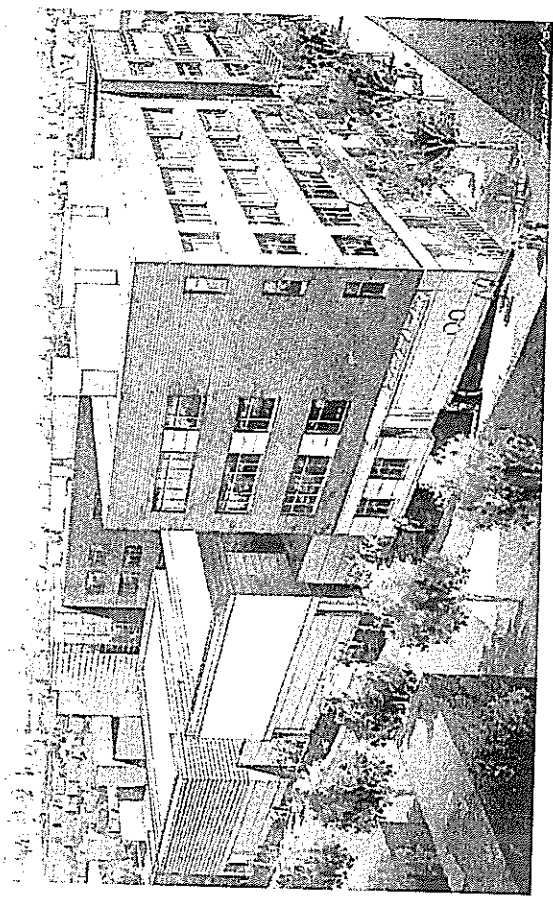
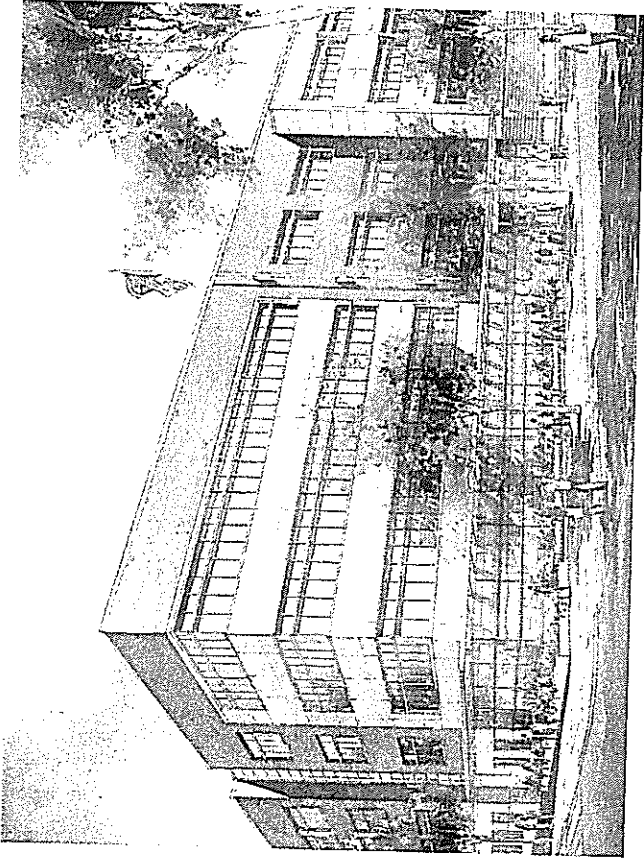
Comparison of Enrollment Projections Produced in 2003 and Actual Enrollments



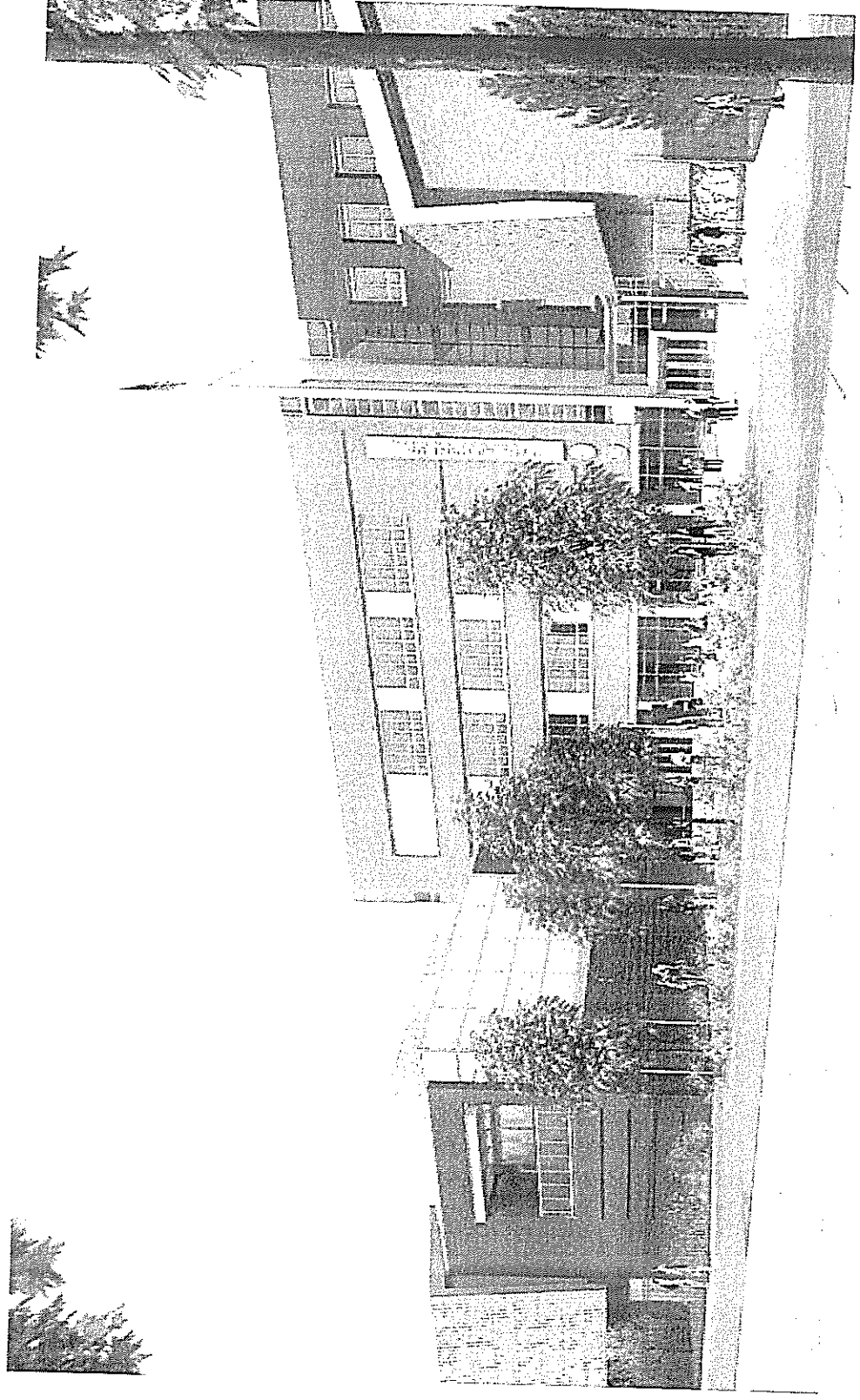
ADAMS STREET COMPLEX - BROOKLYN



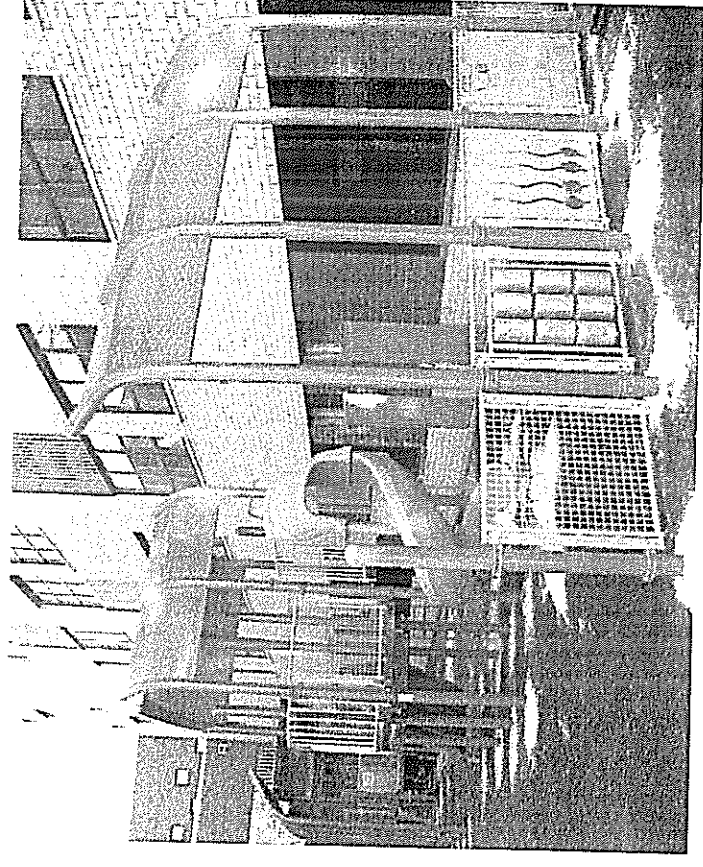
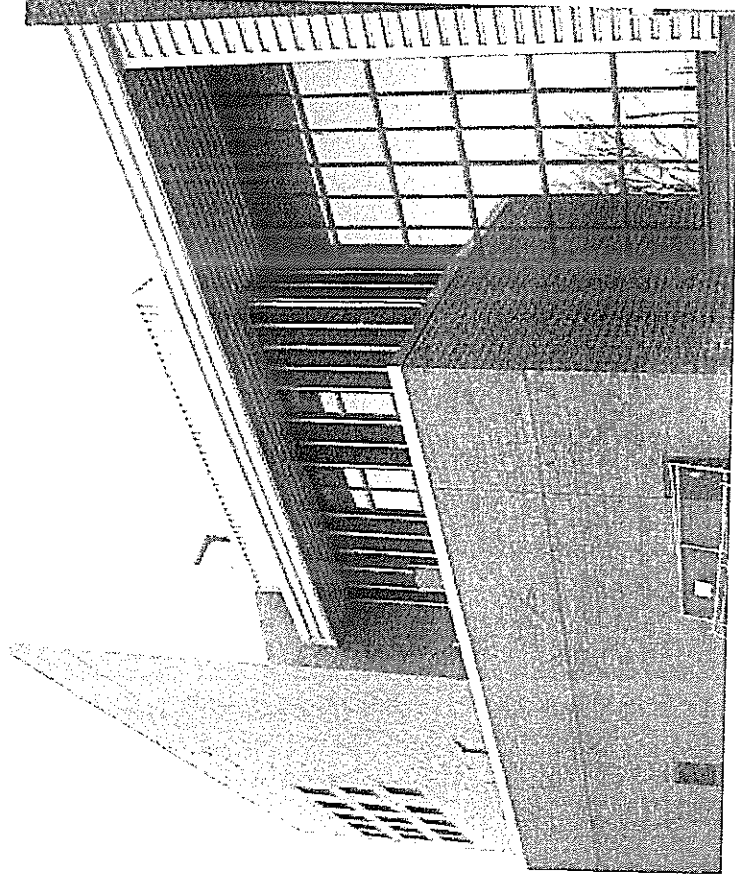
IS/HS 362 - BRONX



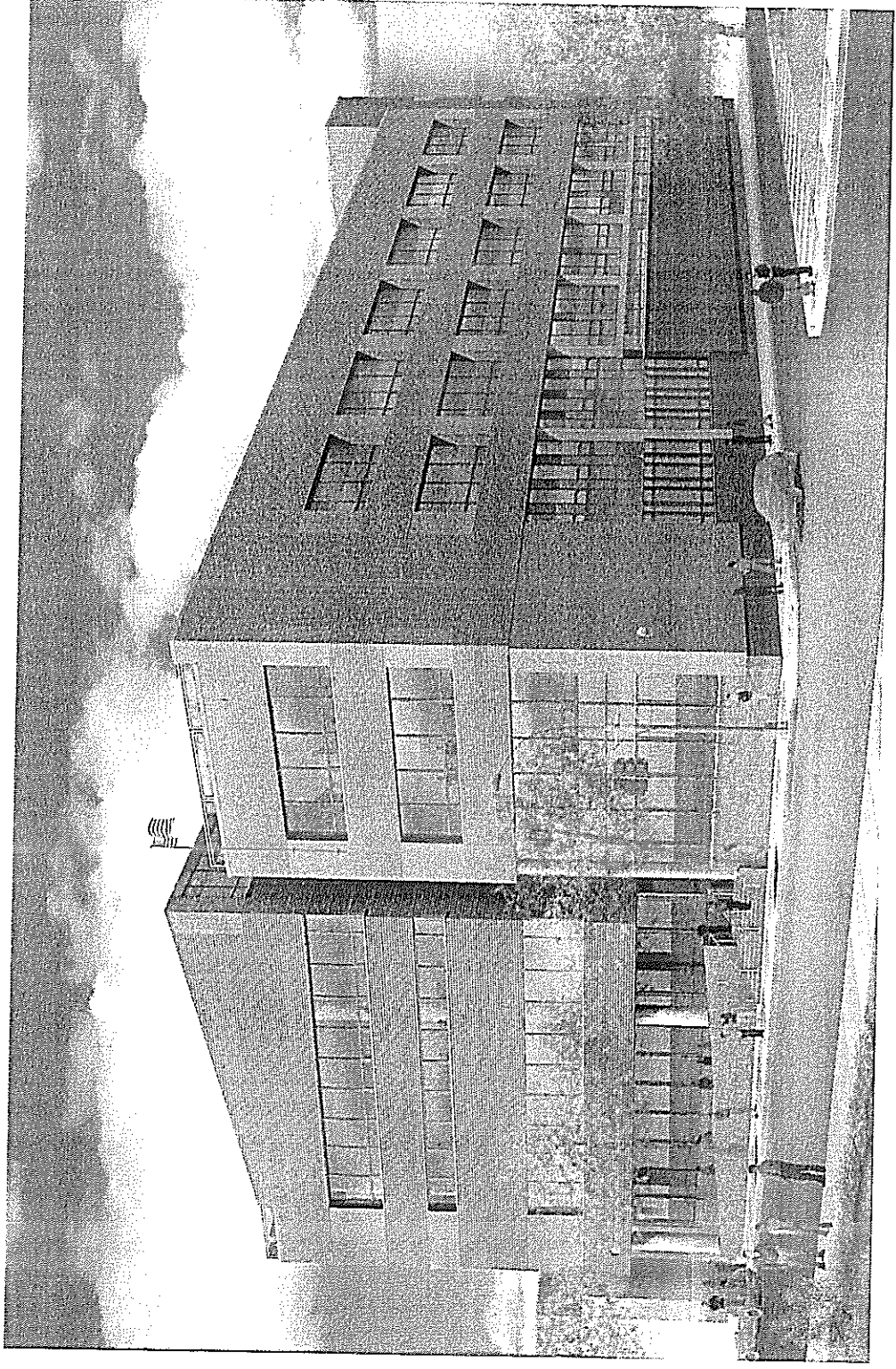
IS / HS 43 – STATEN ISLAND



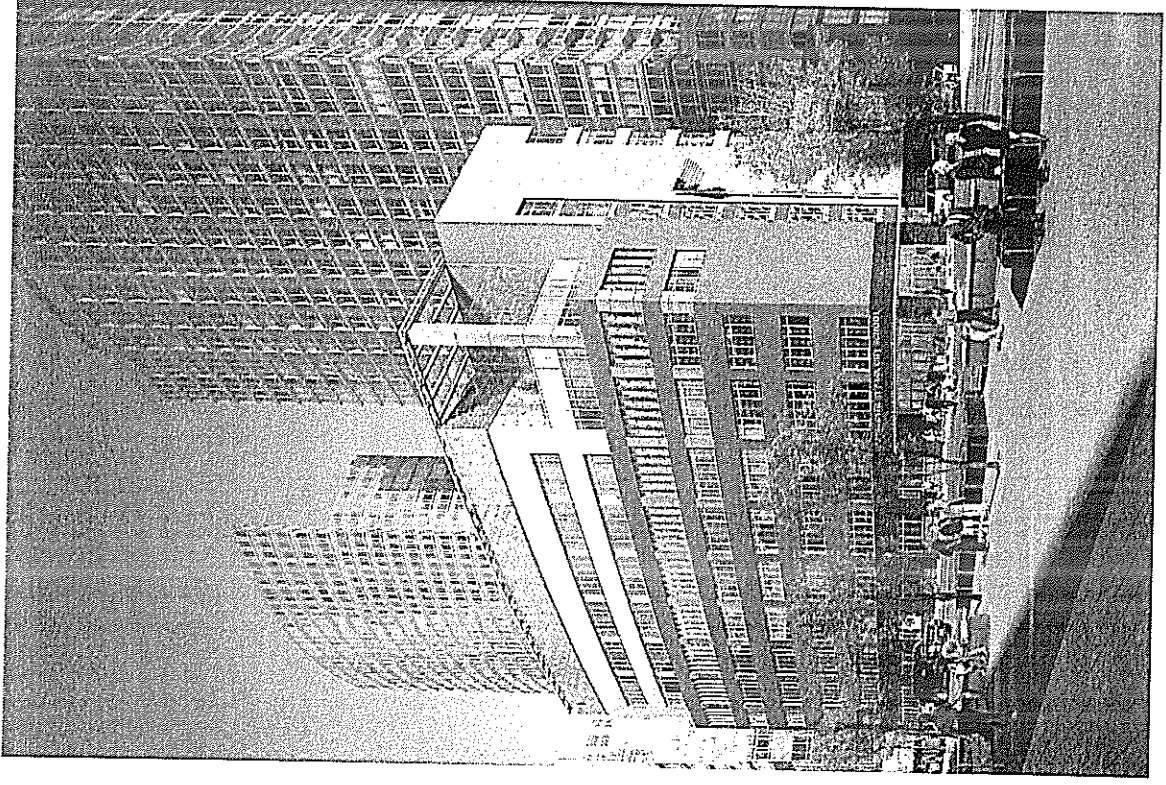
PS 260 - QUEENS



EAGLE ACADEMY HS - BRONX



PS/IS 276 – BATTERY PARK CITY



Capital Plan Highlights

- Improved Quality Review, Payment and Change Order processes
- Increased Collaboration with other City Agencies
- Green Design Standards effective Jan. 1, 2007
- Incorporation of PlaNYC Playground and Emission Reduction Initiatives
- Environmental Due Diligence on all Sites
- Improved mechanisms for input and communication

FY 2008 MWLBE Activity To Date

(4/30/2008)

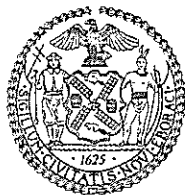
- Mentor and Graduate Mentor Contractor Obligations: \$63,000,000
- Other Prime Contract Obligations: \$148,000,000*

* Does not include Mentor and Graduate Mentor Commitments

2010 – 2014 Capital Plan

- Identify:
 - Continuing needs of the Children First Initiatives
 - Critical infrastructure needs
 - Capacity requirements to meet needs through 2014
- 2007 – 2008 CEC requests will be reviewed for potential inclusion in Capital Improvement Program
- Draft Plan to be issued November 2008

FOR THE RECORD



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WILLIAM C. THOMPSON, JR.
COMPTROLLER

STATEMENT OF
NYC COMPTROLLER WILLIAM C. THOMPSON, JR.
TO THE NEW YORK CITY COUNCIL
COMMITTEES ON EDUCATION AND FINANCE

RE: THE PROPOSED AMENDMENT
TO THE DEPARTMENT OF EDUCATION
FIVE-YEAR 2005-09 CAPITAL PLAN

WEDNESDAY, MAY 21, 2008

Thank you for this opportunity to comment on new capacity in the Proposed Amendment to the Department of Education's 2005-09 Capital Plan.

A report released by my office on May 9th, *Growing Pains: Reforming New York City's Education Capital Plan*, demonstrated that a flawed capital planning process is a major factor in the City's failure to propose and build enough new schools in many neighborhoods experiencing booming residential construction.

To prepare that report, my staff compared the City Planning Department's neighborhood population growth estimates with school capacity utilization by neighborhood and the number of new elementary and middle school seats provided in the 2005-09 Capital Plan. It quickly became apparent that while neighborhoods across the city are rapidly expanding, many existing elementary and middle schools in reasonable proximity are already overcrowded or soon will be.

Examples include Soundview and Throgs Neck in the Bronx; Riverside South, Murray Hill, and the Upper East Side in Manhattan; Long Island City and Flushing in Queens; Bensonhurst-Bay Ridge, DUMBO, and Downtown in Brooklyn; and the southern part of Staten Island. For these areas, the 2005-09 Capital Plan does not provide any new capacity, or the capacity that is planned is insufficient.

The persistent elementary and middle school overcrowding in these and other neighborhoods can be attributed in part to shortcomings in the process for planning new capacity. For instance, enrollment projections are made only for the 32 community school districts, not for individual neighborhoods. DOE does not locate new capacity in districts that they consider to be operating substantially under-capacity or where they project a large enrollment decline.

However, districts are geographically large and cover many different neighborhoods. We identified neighborhoods where the population -- and the demand for schools -- is soaring and the schools are overcrowded even though schools elsewhere in the district are officially under-capacity and losing enrollment. Because of this policy, the 2005-09 Capital Plan provides no new seats in these neighborhoods and students there will continue to attend overcrowded schools.

Another problem we identified is that the Grier Partnership, which prepares DOE's enrollment projections, does not consider building permits for new housing construction in its calculations. The number of residential units authorized by building permits has doubled since 2004, and in 2007 more units were authorized than in any year since 1972. Because the Grier Partnership does not factor in these permits, they underestimate expected enrollment across the city. Some districts projected to lose enrollment will instead actually gain.

In District 13, for example, while Grier projects an 18.7 percent enrollment reduction by 2010, City Planning projects a nearly 14 percent population increase from 2000 to 2010 because of major new housing development. In the PS 287 zone alone, over 3,000 units were just completed or are under construction, even though PS 287 had room for only 89 more students in October 2006, the period for which we have the most recent data. PS 8 in Brooklyn Heights, which is likewise overcrowded, will have to absorb additional students from the hundreds of units that were just built or are under construction in the school's zone. Incredibly, the 2005-08 DOE Capital Plan gives District 13 no new schools.

To address the new-capacity planning problems we identified in our report, we made several recommendations. First, the DOE should task a single entity to prepare enrollment projections that combine demographic trend and cohort survival analysis -- currently done by the Grier Partnership -- with data on housing construction and permits. These projections should be done by neighborhood, not by district.

Second, the City should implement a process similar to that required of city agencies under the City Environmental Quality Review (CEQR) in order to assess in a more timely fashion the impact of new housing development on school enrollment. Whenever 100 units or more of new housing are proposed, the City would be required to assess the impact on the local schools.

Third, the DOE should adopt a rolling five-year capital plan rather than the currently used fixed-term capital plan. The annual amendments that are now made to the fixed, five-year capital plans are essentially patches that do not look forward to new capacity needs five years hence. Capital planning should be conducted at least annually with a five-year horizon.

Fourth, the Department should provide financial incentives for developers to participate in mixed-use projects containing elementary and/or middle schools. Such incentives might include:

- Allowing the New York City Industrial Development Agency (IDA) to finance industrial and commercial projects that include a public school. Applicable laws and regulations would need to be amended.
- Allowing the New York City Educational Construction Fund to finance mixed-use projects on private property. Again, this would require legislative changes.
- Providing a new property tax exemption for private residential developments that incorporate a school.
- Charging District Improvement Fund Bonus Payments to developers in return for increases in floor area space ratios. These funds would be used to finance the construction of public schools.

DOE must also make the capital planning process transparent. The methodology for projecting changes in enrollment by district and neighborhood, and for determining where to site new capacity, should be public. DOE should ensure that all prior amendments to the current capital plan remain available on-line, and should provide a project-by-project status report on the SCA pages of its website. Anyone should be able to go to the site and look up planned schools in their neighborhood and ascertain the status of the project in detail.

Finally, the DOE must be more responsive to local communities regarding both their concerns about school capacity and their recommendations for where new capacity could be sited.

I have no doubt that the implementation of these recommendations will better enable the Department to adequately meet its future capacity needs and serve the educational mission that we all believe in so passionately.

Thank you very much for the opportunity to share my thoughts on this important issue today.

**DAVID WOLOCH
DEPUTY COMMISSIONER
NEW YORK CITY DEPARTMENT OF TRANSPORTATION**

**HEARING BEFORE THE CITY COUNCIL
COMMITTEE ON TRANSPORTATION
MAY 21, 2008**

Good afternoon Chairmen Liu and Weprin and the Members of the Transportation and Finance Committees. I am David Woloch, Deputy Commissioner of External Affairs for the New York City Department of Transportation (DOT) and with me here today is Joseph Jarrin, DOT's Deputy Commissioner for Administrative Services. Thank you for inviting us here today to discuss DOT's Executive Budget.

DOT's Capital Plan for FY 2008 through 2012 is \$7.4 billion, and is focused on advancing the design and construction work needed to improve the City's transportation network and to ensure the state of good repair of the City's streets and bridges. We have an aggressive program for FY 2009 that will include \$2.5 billion to fund, among other projects:

- \$349 million for the reconstruction and painting of the Brooklyn Bridge's Approaches and Ramps;
- \$357 million for the reconstruction of three Belt Parkway Bridges (Paerdegat/Fresh Creek/Rockaway Parkway) in Brooklyn;
- \$180 million for the rehabilitation of the Bus Ramps at the St. George Ferry Terminal on Staten Island, in addition to \$35 million funded in FY 2008;
- \$74 million for the reconstruction of the Bruckner Expressway Bridge over AMTRAK in the Bronx;
- \$24 million for the rehabilitation of Chatham Square in Manhattan;
- \$22 million for the reconstruction of Pelham Parkway in the Bronx;
- \$19 million for the pedestrian improvements at East Houston Street in Manhattan;

- \$15 million for the reconstruction of Hillside Avenue in Queens;
- \$12 million for the reconstruction of East 177th Street in the Bronx;
- \$9 million for the reconstruction of Queens Plaza, in addition to \$9 million funded in FY2008;
- \$9 million for the reconstruction of Fifth Avenue in Brooklyn;
- \$129 million for in-house street resurfacing, Citywide;
- \$65 million for the modernization of signal systems, Citywide; and
- \$23 million for the installation of energy efficient luminaires, Citywide.

DOT's total Expense Budget for FY 2009 is \$687 million. This funding will provide DOT with the resources to meet the transportation needs of New York City when combined with the grants that we expect to receive during the year. Specifically, funding to serve the 65,000 daily passengers on the Staten Island Ferry which operates 365 days a year; to do maintenance, repair and spot/splash painting work on the City's 789 bridges located throughout the five boroughs; ensure the structural integrity of the historic East River Bridges that carry 498,213 vehicles each day; and to maintain the City's 20,000 lane miles of streets. DOT funds will also be used to power and maintain approximately 300,000 street lights, 12,300 traffic signals and 1.3 million signs across the City, and to maintain the 47 City-owned parking facilities.

In addition to our day to day operations, expense funds will also cover the implementation of Intro 567-A that was recently signed into law which will enhance safety on the City's streets by requiring DOT to conduct annual audits at 20 high accident locations Citywide, inspect all locations where five or more accidents have occurred in a 12-month period; and conduct a comprehensive study of pedestrian fatalities and serious injuries. The Executive Budget reflects an increase of \$279,042 annually for this program.

Our emphasis on traffic safety also extends to Priority Regulatory Signs as part of the implementation of Intro 581-A. With an annual increase of \$310,000 during the Preliminary Financial Plan, DOT now has additional staff resources to repair and replace priority regulatory signs (stop, yield and do not enter signs) within three business days of a work request. Lastly, expense funds will also be used to implement the new placard program whereby all City parking permits will now be centralized at DOT and the Police Department.

As you can see, DOT has an aggressive program, while at the same time we are doing our share to achieve financial savings for the City during this period of economic uncertainty. The Executive Budget reflects savings of 3% annually for DOT, in addition to the 5% in savings that was achieved as part of the Preliminary Budget. The savings reflected in both financial plans are being achieved through the improved energy efficiency in the City's streetlights, the enhancement of revenue-generating programs, the utilization of grant funding instead of City funds where possible, and the elimination of 51 vacant positions without any significant impacts on existing DOT service levels. Notwithstanding the constrained economic environment which we face today, DOT remains committed to continue the implementation of our core program and ambitious agenda. Mindful of potential budget reductions that await us in the future, we will continue our efforts to obtain other sources of funding.

As you know, DOT did miss out on obtaining \$168.2 million in federal Urban Partnership Agreement funds for Bus Rapid Transit projects as part of the City's congestion pricing initiative. While we were disappointed in the defeat of congestion pricing, to improve the mobility of buses in the City, the implementation of Select Bus Service (SBS) will begin in June on Fordham Road in the Bronx; and over the next year, we will focus on a variety of other bus priority and bus "hot spot" improvements throughout the City including Midtown Manhattan, Jamaica, and Downtown Brooklyn.

In addition, we expect to work with our funding partners at the Federal and State level to enable other Select Bus Service projects, as well as other programs that were going to receive UPA funds, to proceed despite the failure to implement congestion pricing. One program in particular that will require alternative funding is pedestrian improvements at Bus Stops Under the Elevated Trains. Any support from the City Council to allow these important projects to move forward in FY09 would be greatly appreciated.

We also continue to look for other sources of funding for our many programs. In fact, DOT is working now to position the City to get the most out of the next federal transportation bill. Currently we are coordinating with other City and State agencies to maximize the benefits to City interests as we articulate City needs from federal policy to our Congressional delegation and to other transportation bill stakeholders. We are also participating in the National Association of City Transportation Officials (NACTO) in a leadership role to create a large cities' agenda for the bill. NACTO will be both a vehicle to get a broader geographical constituency behind city interests in transportation, as well as a way to engage more formally with other organizations.

Many of our transportation interests and innovative initiatives are outlined in DOT's new Strategic Plan that was unveiled by Commissioner Sadik-Khan earlier this month – and we have brought copies with us today to share with the Committee Members.

The Plan is a major contribution to defining the New York model for achieving sustainable transportation. It is DOT's guide to implementing PlaNYC's goals of better mobility and infrastructure, a more attractive public realm and a reduced environmental footprint.

- Safety is foremost and as good as the downward trend in traffic fatalities and injuries has been, we can never stop trying to do more. The plan commits us to continue to drive down fatalities even as the city is predicted to add population.
- At the core of our mobility program is creating effective street networks for green transportation.

- Remaking our streetscape into a series of attractive, vibrant public places is one of the most profound contributions to the City's quality of life that DOT can make through our public plaza initiative.
- Even as we innovate, the Plan calls for putting even more resources into our basic infrastructure – our street surfaces and bridge structures.
- Other sections of the Plan are devoted to greening our operations. We are slicing our greenhouse gas footprint with energy efficient lighting from our traffic signals to our bridges. We are greening our buildings, from ferry terminals to equipment shops.

Other chapters of the Plan address the ways that we can improve as an institution to deliver on these goals of better, more balanced mobility, world class streets, robust infrastructure and a small environmental footprint. They include ways to increase transparency and improve dialogue with the public, to streamline our procedures for getting projects done and to develop a much clearer set of indicators for how our transportation system is performing.

I encourage all of you to give it a thorough read, and note that it can also be found on DOT's website. That concludes our testimony. Thank you again for inviting us here today and at this time we would be happy to answer any questions that you may have.

Testimony of Hilary Ring
Director, Government Affairs
Metropolitan Transportation Authority
to the
New York City Council Committees on Transportation and Finance
Wednesday, May 21, 2008

Good afternoon, Chairman Liu, Chairman Weprin and members of the City Council. My name is Hilary Ring, and I am the Director of Government Affairs for the Metropolitan Transportation Authority. I am joined by the MTA's Director of Budgets, Gary Lanigan; and the MTA's Director of Capital Program Management, Greg Kullberg, Tom DelSorbo, Vice President of MTA Bus, and Michael Chuback, Executive Vice President of New York City Bus. As you know, we are here to talk about how New York City's budget impacts the MTA's agencies.

The MTA receives financial support from New York City in several ways. In 2008, we are budgeted to receive \$663 million from New York City through the "Urban Taxes," taxes that are levied in New York City on mortgages exceeding a half a million dollars and on the transfer of commercial properties valued over a half a million dollars. These taxes support the operations of MTA New York City Transit, which operates the New York City subway system, the Staten Island Railway, and most of the buses in New York City. The MTA also budgeted \$248 million in reimbursement from the City for the operations of the MTA Bus Company. This subsidiary was created in 2005 to operate the seven formerly private bus companies that provided local and express service in Brooklyn and Queens and express service into Manhattan. The MTA also expects to receive a \$142 million subsidy called "station maintenance" that is pegged to the expenses of operating the Long Island Rail Road and Metro North Railroad stations in New York City. Finally, the current MTA Capital Program is receives \$80 million annually from New York City.

The MTA is required to prepare a preliminary budget for 2009 and release it this July 2008. In addition, we are required to release a preliminary financial plan this July that covers the years 2009-2012. We also report on our financial situation at least twice a month, at the Board's Finance Committee meeting and at the meeting of the full Board toward the end of the month. What I have to say today does not deviate from anything previously reported to the MTA Board.

As you may recall, I appeared before you recently, in March of this year. And, officially, our financial situation has not changed since that date. On a consolidated basis, the MTA is projected to end 2008 with a surplus of \$368 million, and then run deficits in 2009 and 2010 of \$216 million and \$335 million respectively. As I said in March, the fact that we are projecting a surplus in 2008 is due to the fact that over the past several years the real estate market in New York City has been very active. And as I noted above, we benefit from that activity through the taxes I described earlier.

But we all know that the economic picture has been changing. The sub-prime credit crunch has taken a toll on the financial sector, the real estate industry and the broader economy. This credit tightening has been acutely felt in the real estate market, and as a result real estate transactions, particularly large transactions like the sale of Stuyvesant Town and Peter Cooper Village or the sale of the GM Building, like we had in the past, are down significantly. For the MTA, this manifests itself by lower receipts from the Urban Taxes, those generated by the transfer of commercial properties in New York City. Through the end of April – the May numbers will be discussed by our Finance Committee at its upcoming meeting – the MTA had budgeted to receive \$436 million in property transfer and mortgage recording taxes. Our actual collections, however, were \$393 million, or \$43 million less than we had budgeted. While the May results will be reported at our next round of Board meetings, there is little indication that this downward trend will be reversed in the near-term.

Another large source of funds for the MTA is through State appropriations, our so-called dedicated taxes. For the most part, these are taxes that are collected in the twelve-county MTA region, plus a portion of a petroleum tax that is collected statewide. What we receive from these taxes is up to the State; the State Legislature appropriates money from several special revenue funds and pays it out to us. And looking forward, there may be cause for more concern. If the tax collections that flow into these dedicated funds fall short, there won't be enough revenue in the funds to pay the full amount that the MTA's financial plan assumes this year.

To be more specific, the primary taxes that contribute to our State dedicated funds are taxes on corporate profits – not exactly promising given the outlook in the FIRE sector in the downstate region; a portion of the sales tax – again, with an economic downturn these collections may fall short if retail sales fall; and petroleum taxes. One would think that the petroleum taxes would be going through the roof with gas prices so high, but even here the news is not so good since the tax has caps in place that limit collections.

The last place where we get our revenue is from fares and tolls. If the economy rebounds and gas prices stay high, our ridership will increase and our fare revenues will do OK. On the other hand, if gas prices stay high, people may cut back on their discretionary travel which would reduce our toll revenue.

However, if layoffs do occur in the financial industry, ridership may begin to fall. As you may realize, New York's financial sector is concentrated in midtown and downtown Manhattan. We have about an 80% market penetration in these areas, so if jobs are lost, people will not use buses and subways to get to work, and our farebox revenues will suffer as a result.

This is what we saw after the last major recession in the late 1980s. After the stock market crash in October 1987, our ridership held steady for a little while and it looked like the NY economy was going to be able to dodge a bullet. But, then our ridership began

to fall. In retrospect, we now realize that what we were seeing was a leading indicator that the late 1980s recession was beginning to hit New York. As jobs were cut, people no longer needed to commute and our fare revenues began to decline. So, having had that experience, we will keep an eye on our ridership.

As I said earlier, we will be keeping a close eye on all of our revenues and expenditures, and we do report on them monthly. Our board and committee meetings are open to the public, and are all broadcast on the web at www.mta.info. So, there is no reason to be surprised.

In the face of these challenges, we are also working to make the MTA a more efficient operation. For example, we are beginning to implement a Business Services Center that will be an industry-leading example of innovative cost cutting. Right now, we have 8 agencies: New York City Transit, Long Island Rail Road, Long Island Bus, Metro North Railroad, Bridges and Tunnels, MTA Bus, the Capital Construction Company, and MTA Headquarters. Each of these agencies has its own payroll department, its own HR process, its own accounts payroll, etc. Using a new computer platform, PeopleSoft in this case, the Business Services Center is going to implement a program of shared services where it, not the individual agencies, will provide the back office functions to all of the MTA. We are starting with two areas, finance and human resources, and will be adding other areas such as procurement, IT, and the like.

Another example of where we are striving to wring efficiencies from the system is in our bus operation. Currently, we operate three separate bus companies: New York City Transit's Department of Buses, MTA Bus, and MTA Long Island Bus. Having run New York City Transit's Manhattan bus operation in the 1980s, Lee Sander felt that it was clear that we were missing a lot of efficiency and innovation running three separate bus companies. As a result, we are moving to more closely integrate the management of the three bus operations.

Finally, we are serious about maintaining other types of budget discipline. Our financial plan calls for substantial cuts in each agency's budget that are cumulative year after year. By allowing these cuts to grow over several years, our agencies can generate savings that are real and sustainable.

These are just several examples of how we are striving to transform the MTA to make it not only more responsive and transparent, but also more fiscally responsible in this time of economic uncertainty. And we will continue to look for efficiencies and potential savings.

I'd like to turn now, for a moment, to the MTA's capital plan. As you may have heard, inflation in construction costs is a real issue. With all of the residential and commercial construction in the New York City region -- three new stadiums; the Second Avenue Subway; the Number 7 line extension; the Long Island Rail Road's East Side Access project; the work at the World Trade Center site including the Freedom Tower, the new Silverstein buildings and a new PATH station; as well as new commercial towers and

residential building all around town due to the recent neighborhood re-zonings, there is so much work going on that contractors have little incentive to sharpen their pencils when it comes to competing on projects.

Recognizing the new reality of the high inflation in construction costs, Lee Sander commissioned a Blue Ribbon Panel on Construction Excellence that had as its members some of the leading people in construction trades, contractors, bonding and surety companies, project managers and other government agencies that, like the MTA, do a lot of construction work. The Blue Ribbon Panel found that a number of mostly external factors were making it difficult for the MTA to implement its ambitious capital construction program on budget and schedule. Among these factors are major increases in the cost of key commodities; a devalued dollar; and unprecedented levels of construction and competition for labor in the region and nation. The Federal Transit Administration recently reported that transit project costs have increased 38% on average since 2003. Costs have increased at an even greater rate in New York's overheated market, with the MTA hit especially hard by increases in commodity costs. The price of steel increased 91 % since 2003, cement is up 25% and asphalt has grown by 85%.

This situation is forcing us to take a hard look at the projects in our current 2005-2009 capital program and re-evaluate our priorities. The MTA agencies are now looking at how to manage the impact of financing shortfalls on our capital program. And the Blue Ribbon Panel has recommended ways that we can reduce our costs by changing the way we do business, by changing some of the terms and conditions in our contracts, and by taking a look at what the trades can do to ensure that there is an adequate supply of labor to actually work on our projects. MTA senior staff recently met and we have begun to dive into the recommendations, figuring out how to implement them and what kind of effect they will have.

So, looking forward, what is in store for the MTA? Clearly, the MTA is the engine that drives the region's and the State's economy. The MTA allows New York to be New York, that 24-7 world capital of finance, publishing, entertainment and fashion. The MTA system is the region's top asset, and like any asset, it needs constant upkeep to keep working.

Over the past twenty-five years the MTA has made a lot of progress in rebuilding the region's transit system, and we have even been able to start to expand it a little bit. But, for the most part, the MTA has relied on debt and not a lot of cash. As you know, our debt service burden is a problem and we have to get a handle on that. We also have to work with our funding partners in New York City and in Albany to come up with new and creative ways to finance our ongoing capital needs.

To be successful, we will need your interest, enthusiasm and support to allow the MTA to keep providing the service your constituents and the region need to keep New York City the world class city that never sleeps.

I would be happy to answer any questions that you may have.



FINANCE
NEW • YORK
MARTHA E. STARK
COMMISSIONER

TESTIMONY OF COMMISSIONER MARTHA E. STARK
NEW YORK CITY DEPARTMENT OF FINANCE
BEFORE THE CITY COUNCIL
COMMITTEE ON FINANCE
HEARING ON THE FY2009 EXECUTIVE BUDGET
MAY 21, 2007

Good afternoon Chairman Weprin and members of the Committee on Finance. As you know, I am Finance Commissioner Martha E. Stark. Thank you for inviting me to testify today on the fiscal year 2009 Executive Budget.

I will do five things this afternoon. First, I'll discuss how the Executive Budget affects the Finance Department, and I will specifically address the additional 3 percent expense budget cut. Second, I will discuss the results of the annual lien sale. Third, I will briefly summarize the assessment roll changes since the tentative roll was released in January. Fourth, I will update you about legislation we are following in Albany. Finally, as always, I will be happy to take your questions.

Department of Finance Budget

When I appeared before you in March, we learned from OMB that all City agencies would have to cut their fiscal year 2009 expense budgets by another 3 percent. I know that Council Finance Committee staff has been in touch with our budget director to get more details about the cuts in our budget. Let me assure the Committee that we will be able to reduce our expenses without adversely affecting the quality of services we provide or reducing the amount of revenue we collect.

First, we will reduce our personal services costs by \$1.3 million. More than \$800,000 of that will come from reallocating resources and reducing expenses in the Adjudication Division. These changes will have a minimal impact on the service we provide

to people who challenge their parking tickets, primarily because of the efficient method that we have adopted for adjudicating tickets. In addition to ensuring that tickets are properly written to the public and dismissing them if they are not, we have also developed a program to efficiently adjudicate tickets issued to businesses that deliver goods and services in New York. As a result of all the changes to ensure that tickets are adjudicated timely, we have eliminated the need for more than one million hearings each year.

As you know, we have been committed to achieving and measuring results at Finance. Therefore, we have chosen budget cuts that will not affect services. For example, in Adjudication, people requesting a hearing will:

- Receive a decision from our Hearing By Mail unit within three weeks; and
- Have a hearing in any one of our business centers in less than an hour with time left to even grab a sandwich.

Just as a reminder, when I started my tenure at Finance, the average wait time for a hearing by mail decision was more than four months and it took hours to have a hearing at our business centers.

Second, we will reduce our Other than Personal Services budget by \$3.9 million. To accomplish these savings we will, among other things:

1. Build internal capacity, especially in the information technology area, and we will reduce costs by \$1.1 million as we rely less heavily on outside technical consultants.

2. We are going to do a little contracting in. Finance used to contract with armored car companies to transport cash and checks from our payment centers to our lockbox banks for processing. Instead of spending \$430,000, we will utilize our deputy sheriffs for this part of our operation.
3. By utilizing technology and relying more on email, as the City Council's technology committee has encouraged us to do, we will consolidate office equipment and reduce mailings to save \$185,000.

Lien Sale Update

Let me turn to the lien sale, which began with a 90-day notice on February 19 and concluded on May 19, two days ago.

As we announced at the start of the lien sale, 23,770 owners received a 90-day notice, and these owners owed a total of \$307 million in property charges and \$146 million in water charges. Since February 19, Finance has resolved \$90 million (or 29%) of the amount that appeared on the 90-day notice. People paid \$5.75 million in down payments and entered into payment agreements that covered a total of \$35.6 million in outstanding debt. I should note that this year, for the first time, we allowed owners to enter into monthly installment agreements as well as quarterly installment agreements. For homeowners, we offered down payments as low as 5 percent of the total amount due. Previously, we required at least 10 percent down.

Once again I want to thank council members for facilitating outreach events with Finance and the Department of Environmental Protection to help us reach as many owners as possible. Your assistance helped us resolve your constituents' debt, correct errors in our records and help hundreds of people avoid having a lien sold on their property. This was a very busy outreach season. With your help, we conducted 50 sessions, served more than 2,000 people, and helped 512 homeowners enroll in exemption programs that made it possible for them to both avoid the lien sale and reduce their future tax bills.

Although the lien sale is over, our efforts to help people pay the right amount on time will continue throughout the year, and as always I hope I can count on your help.

Final Assessment Roll

Let me turn to the final assessment roll for fiscal year 2009. The market value of all City property is now \$812.8 billion, which is 2.8 percent higher than last year's final roll market value of a little less than \$796 billion. However, the assessment that taxes are based on increased a little less than five percent since last year.

The market value is .68 percent lower than the tentative assessment roll that we released on January 15 and revised later in January to address two issues—a problem with our computer model for small homes in Manhattan, and the need to comply with the Law Department's advice that our gross income multipliers should be the

same for cooperatives, condominiums, and rental buildings even though the expenses on those buildings are different.

As you will recall, there are four factors that contribute to a change in the assessment roll since January 15. First, Finance responds to information that the public provides after they receive our Notice of Value. Second, we implement new exemptions. Third, the Tax Commission reviews our assessments and reduces assessed value. This year, more than 43,000 owners challenged their assessment with the Tax Commission, a slight increase over last year.

Finally, we are required to value properties under construction on the tentative assessment roll. However, if the property is not ready for occupancy on April 15th and it's the first year of construction, the value is removed. Most commercial properties and residential properties that have applied for 421-a exemption benefits have three years to complete construction. Finance is required to include the value of these properties on the tentative roll in January and remove the value in May if the property is not ready for occupancy by April 15th.

Legislation

Finally, let me update you on some of our legislative efforts.

Parking Issues

Currently, rental car companies pay us \$1 per month per car in their fleets, an amount that has not changed since 1981. In exchange, they send us the local address of the person who rented

the car, which oftentimes is a New York City temporary address like a hotel; we don't tow the vehicles with outstanding tickets; and the rental car company is absolved of any liability.

When this law was adopted, the use of credit cards was certainly less widespread. However, now rental car companies are in the best position to remit charges for tickets issued to their vehicles. In lots of instances, renters do not live in New York City and therefore Finance is not able to collect as effectively. For example, more than 80 percent of parking tickets issued typically get paid within a year. For rental cars, the payment rate is below 50 percent.

While we would prefer to have the rental car companies collect the tickets and remit the payment to us, the bill we proposed in Albany would at a minimum raise the amount of the fee to \$5 per month per car or \$60 per year per car.

If passed, the bill would generate more than \$7 million in revenue.

Two Other Bills: Utility Property and Manhattan Vacant Land

In addition to having our own agenda items, Finance also closely tracks and offers support for legislation introduced by others that affect our operations. This session there are two such bills.

The first, A8030/S5302, is a bill that would standardize the way utility property is valued statewide. This bill recognizes that utility property -- power lines, telephone wires or natural gas pipes

-- often crosses city, county and town boundaries and goes above and under private and public land.

Currently, Finance values property that crosses over or under private property. However, the New York State Office of Real Property Services values that same property if it crosses over or under public property. It's a duplication of effort that is inefficient and costly. We support the State's bill that would require the Office of Real Property Services to value all utility property regardless of whether it is over or under public or private land.

The other bill, A8666/S6207, introduced by Assembly Member Farrell, addresses how the City values vacant land north of 110th Street in Manhattan. This bill would require Finance to reclassify vacant lots in northern Manhattan as commercial property instead of residential. This would result in those properties no longer benefiting from the assessment caps and being assessed at 45 percent instead of 6 percent.

I hope that as we head into the last weeks of the session, we can count on the Council's support of these bills as well.

Thank you. I'll stop there and am happy to answer your questions.

*Local 1757, District Council 37
Assessors, Appraisers, and Housing
Development Specialists
125 Barclay Street, 4th Floor
New York, N.Y. 10007*



David Moog, President
Mathew Joseph, Vice President
Shirley Jin, Treasurer
Sylvia Heller, Secretary

May 21, 2008

Good Afternoon to the member of the City Council and thank you for allowing me to speak at today's Finance Committee hearing.

Many of the members have heard me speak numerous times over the past seven years concerning the importance of funding the assessment process. From those hearings many members of the City Council have tried to help by increasing the number lines available to the Commissioner of Finance to hire more assessors, or at least replace those assessors who retire or resign, as was promised by Martha Stark five years ago. But during that time the number of assessors at Finance has dropped to less than 120 assessors. Just eight years ago we had over 190 assessors and even then we felt short staffed. Now the results of all those cuts are being realized in this tax year.

Never has so many changes been made by the Finance Department due to errors made on the tax roll. Every single tax class two properties needed to be changed soon

after the tentative roll was published. Thousands of other change-by-notices based on reviews requested by taxpayers were issued, exceeding any error list from any previous tax roll. And the real shame of all those changes is the fact that many of the building owners filing for those changes had to pay attorneys or tax representative fees to get what should be free, their tax assessment. And for every change-by-notice, I have no doubt; another taxpayer's property is under assessed leaving the rest of the taxpayers to pick up the tab in a higher tax rate.

I know that it is not the role of the City Council to manage a mayoral agency. I know many of the members of this committee would like to have more input into how policy is implemented at the Finance Department when it comes to tax assessments. But the narrow scope of the City Charter limits the powers to the budget process and to holding public hearings to gather information. That is why I am asking that the City Council look into passing Intro 62 of 2006, restoring the assessor's oath. Before the oath was eliminated every parcel had to be inspected and valued according to proper appraisal methods. The broad use of gross income multipliers derived solely from what appears the mind of the Commissioner of Finance would never be allowed. It was the elimination of the assessor's oath that allowed the mushrooming of the assessor corruption from one that was limited parcels within certain assessment districts to a criminal takeover of the entire tax roll. Before the arrest of 15 assessors in 2002, changes were being made by corrupt assessors who were not even working in the same borough as the properties they took bribes on. They were able to do this because assessors no longer were responsible

for checking who made changes to assessments, and why those changes were being made.

Ultimately the solution to the proper administration of the assessment process in New York City lies in separating the assessment process from the Department of Finance. In almost every major city, with the exception Detroit, Washington DC and New York City, the person who collects the property tax does not value property for the tax roll. It is also illegal in New York State to have the County Director of Office of Property Services (OPTS) also serve as assessing agent. Martha Stark acts as the County Director for New York City for OPTS. I know that if a Charter Revision Commission is formed this year I will testify for a creation of the Real Property Tax Commission to administer the assessment process. From my testimony at the last Charter Revision Commission a recommendation was made that the idea of a separate commission to manage assessors and administer assessment policy should be studied. I recommend that the City Council start looking to performing that study as well as reforms to the assessment policy and procedure. In the mean time I would recommend the passage of Intro 62 of 2006 I order to bring accountability to the tax roll.

I want to thank you for your time and for the past efforts to provide more funding to the assessment process.



DEBORAH J. GLICK
Assemblymember 66TH District
New York County

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Higher Education Committee

COMMITTEES
Environmental Conservation
Rules
Ways & Means

**Testimony of Assemblymember Deborah J. Glick
Before the City Council Committees on Finance and Education
Regarding the Next 5-year Capital Plan for Education**

May 21, 2008

As the Assemblymember who represents Lower Manhattan neighborhoods that are experiencing a startling amount of residential development, the issue of new school seats is of serious concern to my constituents. Class size is one of the most critical factors in achieving a sound public education, which is a constitutional right and government's duty to provide. Unfortunately, despite the urgent calls of advocacy groups and elected officials, the City administration has been inexplicably reluctant to properly address both current overcrowding conditions and projected growth in neighborhoods across the city, resulting in classrooms that are bursting at the seams and severely impeding our students' ability to learn.

In the neighborhoods I represent, which are contained within Community Education District 2 (CED2), the Department of Education's (DOE) severely inadequate methods of assessing current conditions and planning for growth resulted in a capital plan that created no new seats between Chambers Street and 42nd Street, west of 2nd Avenue. Somewhat bafflingly, this occurred despite an overwhelming number of new residential development projects both currently underway and imminently planned for these neighborhoods. That capital plan failed our students; the next capital plan cannot fail them again. It must better address current overcrowding conditions, revisit the DOE's seemingly flawed methodology for defining capacity, allow for planning at the neighborhood level and include innovative solutions to match schools seats to new residential growth.

First, the next capital plan must align itself with the State mandate of 20 children per class in grades K-3 and 23 in all other grades. These should not be viewed as mere targets, but as absolute limits. In order to meet this mandate, the current methods of assessing utilization and capacity bear closer scrutiny. These methods of data assessment appear to not adequately reflect the actual conditions endured by teachers and students in the classroom, to the extreme detriment of our schools. The City's near obsession with quantifying our education system must reconcile itself with the lived experience of those that know this system best- teachers, students and parents.

Secondly, the DOE must finally make understandable and transparent the ways in which they consider new housing starts and other demographic data when planning for new school seats, and must communicate these to parents, teachers and advocates. Coupled with a more thorough consideration of input from these groups, the DOE must forge deeper lines of communication with the Department of City Planning, the Department of Buildings and other relevant agencies

to assess projected development using a variety of tools, including building permits. I am pleased to hear that the DOE has expressed a willingness to consider pocket overcrowding in the upcoming capital plan. The last plan's woefully inadequate consideration of overcrowding in the West Village and Tribeca certainly exemplifies the need to reassess the geographic lens utilized for capital planning.

Third, the City needs to explore creative solutions in order to fund and site new school space. Various forms of taxes and fees are utilized in cities across the United States in order to compel developers to provide school seats to match the projected impact of their projects. This, along with zoning amendments and revisions to the Environmental Review process, could be enacted in order to ensure that school space keeps pace with residential development. The City must think imaginatively and proactively, rather than continue to squeeze children into already overcrowded classrooms while scrambling to identify new spaces. Though the job of identifying new school sites and creative solutions should not fall solely to advocates, the DOE should utilize the community's local knowledge and should collaborate with them to identify new school sites and means of increasing seats.

I am pleased to hear that the DOE has just issued its plan to address the current overcrowding situation in CED2. I look forward to reviewing this proposal alongside the community to assess whether it will adequately meet our needs. I am hopeful that this plan will be the first of many collaborative steps taken throughout the city to both alleviate current overcrowding and plan for the future. I hope it will also depart from the misguided belief that charter and private schools will one day obviate the need for public education. Such a view fosters a dangerous culture of elitism and does a grave disservice to all New Yorkers. Public education is the bedrock of our democracy. By committing firmly to reduced class sizes throughout the city, we can finally begin to move towards the equitable education system that all our children deserve.



TESTIMONY IN SUPPORT OF BEACONS

Ms Diana Torres

Division Director Good Shepherd Services

May 19 2008

Grounded in Good Shepherd's strong and nationally recognized youth development model, Beacon MS45 in the Belmont area of the Bronx serves 1,200 children, teens, adults, and families annually, providing a range of services including academic support, arts, cultural, and recreational activities that support skills-building, civic competence, a sense of belonging and community for our participants and the larger community.

For over twenty five years we have been a safe haven in the out-of-school hours where thousands of children, parents and other residents gather daily for stimulating learning activities, support, and fun. Unlike many programs in the out-of-school hours, Beacons also serve large numbers of adolescents – as well as parents and other community adults – and are designed in response to the specific needs of each community.

We are the best option for our children and families. For many we are the only option. The cuts now proposed in the budget would devastate our Beacons' ability to meet the needs of our families and the needs of the communities we serve.

The Mayor's plan to cut the monies to support events and drop-in activities clearly does not recognize the importance of these activities in development of a safe place where the community knows they are considered part of the family and where their needs come first. These events provide venues for our youth to practice community service and leadership skills and receive community recognition-a core best practice of youth development. They are also opportunities for the community to build pride and togetherness, and, most importantly, provide an anchor that supports the Beacon as a center for positive growth, information-sharing, and skills-building for all.

We urge the Council to stand in support of our children and families and LET THEM KNOW THAT YOU HAVE HEARD THEIR VOICE by making Beacons a priority for full restoration this year.

Thank you for supporting Beacons over the years. The Council has always been the critical force that has kept Beacons strong and stable in good years and in bad. We look to you once again to protect this vital community force..

Testimony of John Welch, Safe Horizon Streetwork Lower East Side
To: New York City Council, Youth Services Committee, Hon. Lew Fidler, Chair
May 19, 2008

I am John Welch Program Director of Safe Horizon Streetwork Lower East Side. I would like to take this opportunity to thank the Youth Services Committee and the council for its generous support for Streetwork and Streetwork's Lower East Side site, in particular, for the past seven years. Streetwork is a drop-in center and counseling program for homeless adolescents and young adults which reaches out to the populations of "street youth" who are least able to be served by other agencies and programs due to drug use, behavior issues, mental health issues, etc. and due to service delivery models not designed to accommodate people facing these problems. Streetwork, as a whole, serves 2300 of these young people per year. Our work is to resolve crises and stabilize these youth as best we can, to house them through our emergency shelter programs and to establish long term counseling relationships in which they can receive some element of the parenting they missed and work toward making better choices for their lives.

The funds which I am requesting to be restored are crucial both to the safe functioning of Streetwork Lower East Side and to creating an environment of warmth, creativity and positive regard that is the foundation of our clients participation in more intensive services such as case management, groups, psychiatry, medical care, etc. These funds pay for the salary of a youth advocate who works with clients in the milieu, providing meals, low threshold counseling, nutritional counseling, daily living skills, conflict resolution and social skills building. It is at this milieu level that some of our clients who have had the most trauma, lost the most hope or burned the most bridges get re-engaged in community and move toward values of self care and care for others that strengthens the Streetwork youth community.

This funding has provided an important piece of our program's foundation over the years and I thank the council for that stable support and hope these funds can be restored.



THE CENTER FOR ARTS EDUCATION

Testimony to the New York City Council

Joint Hearing of the Committee on Finance and the Committee on Education

Delivered by Doug Israel, Director of Research and Policy, The Center for Arts Education

Re: Budget Hearing: Education & School Construction Authority (Capital)

May 21, 2008

Good Afternoon. Thank you Chairman Jackson and Chairman Weprin and members of the Committees on Education and Finance for the opportunity to testify today on the proposed capital budget for the Department of Education and the School Construction Authority. I am Doug Israel, Director of Research and Policy for The Center for Arts Education.

The Center for Arts Education is dedicated to ensuring that all New York City Public School students have quality arts learning as an essential part of their K-12 education. CAE pursues this mission through a wide range of activities that focus on raising awareness of the value and need of arts education for our public school students, while providing tools and support for educators, parents, elected officials, funders, and others to act in order to provide quality arts learning for each and every student. Since its founding in 1996, CAE has provided \$40 million in funding directly schools to support the creation of quality arts education programs.

The central concern of The Center for Arts Education as it relates to the capital budget grows out of our years of experience working in public schools in New York City and our knowledge of the lack of adequate space that exists for arts education in schools across the five boroughs.

We have heard from principal after principal who was forced to give up rooms that had been created for arts, to accommodate other needs, effectively limiting their ability and desire to provide quality arts learning for their students.

Over more than 10 years CAE has witnessed the power of arts education in engaging students in learning and providing alternative avenues for achievement. Research proves learning in the arts enhances learning in other subject areas and contributes to a student's overall development, provides students with opportunities to work collaboratively, develop creative and critical thinking skills, and develop innovative solutions—all 21st century skills that employers in New York City and around the world want.

As aptly stated in the DOE's 2006-2007 Annual Arts in Schools Report: "The ideal physical environment for arts learning is one that is dedicated to the arts discipline and appropriately and comfortably equipped with the specific equipment and supplies needed to optimize students' experiences."

As schools are becoming increasingly overcrowded due to residential housing expansion, and as buildings that once housed one school population are now housing two or three, and as school budgets are being squeezed due to a number of factors, the likelihood that our city's school children are being afforded access to spaces that are equipped for teaching and learning in the arts is not very good.

The likelihood that students rehearsing for the school band—in those limited number of school's where this opportunity still exists—are doing so in a properly equipped music room is not very good.

The likelihood that our school children are learning how to paint, sketch or draw in an equipped art studio, is not very good.

The likelihood that the school children of a city that boasts of Broadway, Lincoln Center and Alvin Ailey, will get to rehearse in a studio with sprung floors or ballet barres or perform on an actual stage, is not very good either.

Even in those schools initially designed with proper arts space, there is a lack of space. These music rooms, dance studios and black box theaters have been divided, walled, and turned into general classrooms or commandeered for other purposes. As reported by the Norwood News, a survey of local schools by City Council Member G. Oliver Koppel highlighted these trends. In just a portion of his district, PS 8 eliminated its science lab and converted two classrooms into four, and PS 56 and PS 86 converted its art, music and science rooms into classrooms.

According to the DOE this "lack of available in-school arts space was one of the top three challenges to implementing arts education reported by all schools in [the] 2006-2007 Arts Education Survey."

The New York City Comptroller, in a policy report issued this month, highlighted these very same disturbing trends and noted that the 2005-09 DOE Capital Plan fails to adequately plan for the influx of new students from the residential construction boom. This failure to meet urgent school capacity needs in many communities will exacerbate what is already a troubling reality, as schools will continue convert cluster space used for the arts, science or computers, to fill general capacity needs. The Comptroller's report points out that if a school had to sacrifice one or more such rooms to accommodate past overcrowding, these rooms are considered part of classroom space going forward.

The School Construction Authority is charged with ensuring arts spaces for new schools that will house over 500 students and its amended plan for the upcoming year outlines amendments to the budget for auditorium upgrades, but makes no mention of budgeting or work in progress to reclaim lost arts spaces or create new space in existing schools. While adequate arts space is only one of the many aspects that are essential to provide a well-rounded education, it is an important one nonetheless, and one that will wither if we do not keep the spotlight on the schools in this regard.

We urge the council to request that the DOE and the SCA provide a detailed spending plan on upgrades and creation of arts spaces other than auditoriums in the city's public schools. We urge Council Members and Borough Presidents to investigate access to arts spaces in schools in their districts and direct capital funding to ensure our students are granted access to well-equipped facilities. And we call for a targeted use of capital funds to ensure that every single school has the space necessary to implement arts education that lives up to the New York State requirements and that provides the city's school children with the educational opportunities that they deserve.

Thank you for your time and consideration of this request.

New York City Youth Alliance

The After-School Corporation ▶ Citizens' Committee for Children of New York ▶ The Coalition for After-School Funding ▶ Coalition for Asian American Children & Families ▶ The Dryfoos Group ▶ Federation of Protestant Welfare Agencies ▶ Human Services Council of New York City ▶ Neighborhood Family Services Coalition ▶ The New York Immigration Coalition ▶ New Yorkers for Parks ▶ Partnership for After School Education ▶ UJA-Federation of New York ▶ United Neighborhood Houses of New York ▶ YMCA of Greater New York

CITY BUDGET PRIORITIES FOR FISCAL YEAR 2009

The New York City Youth Alliance is a consortium of youth-focused organizations that together represent hundreds of thousands of youth and families in New York City, advocating on their behalf on both the City and State levels. Below we have outlined those areas in which the proposed Executive Budget will impact a variety of youth service areas.

MAINTAIN CRITICAL SERVICES ▶ We urge that funding for existing youth programs be maintained:

- **Beacons – Restore \$6.3 million:** This includes reduction of \$2.3 million described as targeting afterschool drop-in services & community events, in addition to the \$4 million enhancement initially made by the City Council in FY'06. Together these two cuts would represent an annual reduction in Beacon contracts of approximately \$80,000, a cut that would be devastating to Beacon services, particularly to the programming Beacons offer to older youth, parents and the larger community.
- **Summer Youth Employment Program (SYEP) – Restore \$8 million:** In the summer of 2007, nearly 42,000 teens were enrolled in SYEP. The proposed cut of \$8 million would eliminate 5,600 jobs. A record high of nearly 94,000 applications were submitted last year, a 30 percent increase from the summer of 2006. Demand for SYEP is on track to be even greater this summer.
- **Out-of-School Time:** The reduction in funding of \$2.6 million is based on projected accruals and savings due to non-payment on the final 10 percent of the contract funds of OST providers who don't reach their program attendance targets. However, if more providers meet their targets than projected, DYCD must be prepared to pay these providers their final 10 percent of funds.
- **Immigrant Opportunities Initiative (IOI) – Restore \$11.25 million:** These programs serve immigrant youth, their families and their larger communities. At least 130 community organizations located in all 5 boroughs rely on this funding to help immigrant adults and youth achieve education, employment and other goals by learning English and help them become citizens. The Council has funded IOI since 2001, last year at \$11.25 million. We appreciate this funding and ask that it be maintained. At the same time, we respectfully request that the allocation decisions be made expeditiously in order to maintain quality services.
- **Runaway and Homeless Youth: Restore \$4.7 million:** The Council's funding is critical to the 11 organizations that provide shelter and support to the city's youth who literally have no other place to go. This funding must continue in order to support both crisis shelter beds to those in transitional facilities.
- **TASC After 3 – Restore \$3.8 million:** Without these vital funds, 42 programs serving over 12,000 students are at risk of closure.
- **Adult Literacy Services Council Initiative – Restore \$1.5 million:** New York City's adult literacy system serves older out-of-school youth looking to improve their literacy skills and or pursue a GED. Until there is an expansion of youth literacy services, it is important that the adult literacy system has these resources to help serve out-of-school youth.
- **Full restoration of Council Youth Initiatives:** including the Dropout Initiative, Virtual Y, Teens Take the City, Council After School Adventure (CASA), Institute for Student Achievement, Sports and Arts in Schools, Street Outreach and Neighborhood Youth Alliance and Council discretionary programs that provide a range of activities including sports, recreation, academic assistance, and the arts.
- **Support Cost of Living Adjustments (COLA):** The Mayor's Executive Budget includes a COLA for human services across a number of agencies, including DYCD. We urge the City Council to support this critical investment.

**Testimony of
The After-School Corporation**

**Presented to the New York City Council
Committees on Finance and Youth Services**

Wednesday, May 21, 2008

On behalf of The After-School Corporation (TASC), I would like to thank the Finance and Youth Services Committees for the opportunity to testify on behalf of TASC's request for funding through the City Council. TASC is a not-for-profit organization that supports after-school programs in New York City and since its inception in 1998, TASC has helped more than 250,000 children. TASC works to enhance the quality, availability and sustainability of comprehensive, daily after-school programs by monitoring, evaluating and supporting after-school programs in the New York City public schools.

TASC is also dedicated to building the after-school field by expanding training and college opportunities for after-school staff, and by strengthening the alignment between school day and after-school learning. We develop measures of program quality and accountability, and share with after-school providers lessons learned throughout nearly a decade of developing programs.

TASC-supported after-school programs are operated by community-based organizations (CBOs) with roots in the neighborhoods and schools they serve. In New York City, we partner with such CBOs as the YMCAs, the Police Athletic League and the Sports and Arts in Schools Foundation. Our partnerships with CBOs ensure that programs provide a balanced range of services for children and youth, that includes academics, arts, and sports.

As the New York City Council considers the FY 09 New York City budget, I hope you keep in mind the current need for after-school programs. The overall need in New York City for these programs is far greater than the supply. According to the Citizen's Committee for Children, of the more than 1 million public school children in New York City, 450,000 youth are unserved and another 380,000 children are underserved. Statewide, the picture is equally bleak.

According to Fight Crime: Invest in Kids, New York, nearly seven school-age New York children in every ten live in a household with a single parent who is working or two parents who are both working. On a regular basis, more than 800,000 New York children and teens are left unsupervised by adults.

TASC supports the expansion of New York City's out-of-school and after-school program capacity to enrich the lives of young people and better meet the needs of working families. In tough fiscal times after-school programs are a necessary workforce support that parents count on to keep their kids safe and supervised while parents are at work.

TASC urges the Council to restore \$3.8 million to the TASC After Three program. For the last 10 years, the Council has acknowledged the success of TASC programs and has historically supported an increase in funding. City funds have leveraged other public and private contributions to TASC and helped operate more than 100 after-school programs, reaching more than 22,000 kids. The current \$3.8 million allocation supports 42 programs serving over 12,000 students city-wide. To ensure after-school programming will continue to be available, especially for services to Middle and High School students, we urge you to support funding to TASC.

Over the past nine years, through research, TASC has learned that after-school programs offer tremendous value to children, families, schools and communities. We have engaged a highly regarded Washington, D.C.-based education policy research organization, Policy Studies Associates, Inc. (PSA), to evaluate the effectiveness of our after-school programs. PSA research shows:

- * After-School Programs Improve Academic Achievement
- * After-School Programs Encourage Positive Behavior
- * After-School Programs Increase School Attendance

* After-School Programs Benefit Working Families

After-school programs also address the needs of parents. If programs are forced to close, thousands of working parents would lose a dependable source of child care. Parents who place their children in an after-school program are able to focus on their jobs instead of worrying about where their children are after the school day ends. The loss of these services would imperil their ability to retain their jobs or participate in the workforce, threatening family self-sufficiency at a time when the safety net is stretched terribly thin.

After-school programs are a cost-effective investment in our children. Quality after-school programs do not only provide for the well-being of children, they are being recognized nationally as a potent strategy to address educational achievement gaps among students and prevent dropout. We cannot afford to ignore the need to enrich and protect our children during the after school hours.

It is important to note that non-profits efficiently provide high-quality, needed services in every corner of New York City. Many non-profits request City Council funding to complement other government funding sources and private fundraising. Without government support we could not survive; without non-profits the government could not serve everyone in need.

Thank you for your consideration.



THE CITY OF NEW YORK
OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN

SCOTT M. STRINGER
BOROUGH PRESIDENT

**Testimony by Manhattan Borough President Scott M. Stringer
To the City Council Education and Finance Committees
Public Hearing on the Department of Education and
School Construction Authority FY 08-09 Capital Budget
May 21, 2008**

I would like to thank Chair Robert Jackson and Chair David Weprin for holding this public hearing.

This hearing is a very important opportunity to discuss what I believe is the inadequacy of the Department of Education's capital plan and why it does not equip us to serve our City's growing population. This February, because of the capital plan's deficiencies, my appointee to the Panel for Educational Policy, Patrick Sullivan, voted against adoption of the most recent proposed amendment to the five-year capital plan. I believe the City's process for planning, funding, and citing new schools is in need of fundamental reform, and I hope to work with the Council and public school parents to overhaul it.

For several months now, I have been working with my Manhattan School Overcrowding Task Force, chaired by Mr. Sullivan and by Leonie Haimson of Class Size Matters. The Task Force is composed of public school parents, PTA and CEC members, Community Board leaders, and Manhattan elected officials, and I am grateful to the many members of Manhattan's City Council delegation who have joined us as part of this effort. Together, we have been working to examine the City's school overcrowding problem and propose potential solutions.

Building on our work together, in April my office released a new report, "Crowded Out," the first study to compare the City's data on residential building permits with new school construction. I submit the report for the Committee's consideration. The report demonstrates that residential development is far outpacing new school construction in many Manhattan neighborhoods, and points to serious problems with the City's school planning processes. My report, combined with recent analyses by Comptroller William Thompson and the United Federation of Teachers, is part of a broad movement to reform on school planning process.

My report notes that four Manhattan neighborhoods (Community Boards 1, 2, 5, and 8) are at particularly high risk for neighborhood-wide overcrowding, judging from DOE's official capacity and utilization data. Using building permit information from the Department of Buildings, and the City's official methodology for estimating the impact of new development (the *CEQR Technical Manual*), my office determined that the City approved enough new buildings between 2000 and 2007 to add 1,600-2,300 new K-8 public school students to these four neighborhoods alone. During the same time period, the School Construction Authority only added 143 school seats to just one of these four neighborhoods – Community Board 1 – and no new seats at all to the other three. This represents a serious failure to plan proactively.

Nor has the rapid growth taking place in Clinton/Hell's Kitchen, the Upper West Side, or Harlem been met with new school construction over the past eight years. In the City's four fastest-growing neighborhoods (Community Boards 1, 4, 5, and 7), 42% of elementary and middle schools were over or nearly over capacity last school year. These neighborhoods have only 2,000 available school seats in aggregate, and over the last eight years they have been growing rapidly enough to add 350-500 K-8 public school students per year. Neighborhoods like Harlem and Washington Heights could be next in line, as development pressures continue to press northward.

Given these trends, I am very concerned that DOE's school construction plan is inadequate to accommodate continued growth. DOE's official data indicates that Manhattan's overcrowded elementary and middle schools were, in total, 3,900 students over capacity last school year. SCA's current plan for new seats in Manhattan – 4,300 over the next five years -- would barely be enough to relieve *existing* overcrowding, without any significant provision to plan for ongoing growth, or to realize the class size reductions our parents and educators desperately need.

I appreciate the fact that the DOE has amended the current capital plan to add new capacity projects in recent years, and I also respect the fact that is neither easy nor simple to solve persistent overcrowding problems. But I believe there are at least three relatively straightforward changes DOE and SCA should make to overhaul the proposed capital plan so that it is adequate to serve New York's growing population:

1. **Plan for growth** by establishing a clear, transparent procedure for projecting and estimating the amount and location of expected new housing development, formulated in consultation with the City's planning experts, elected officials, Community Education Councils, Community Boards, education advocates, and public school parents. The City should use the best resources and knowledge in City government to anticipate where future residential growth could potentially occur, and what its likely impacts will be on neighborhood public schools. Whatever the method, it should begin with the fundamental assumption, already endorsed by the Department of City Planning and the City's Office of Environmental Coordination, that new residential development should be assumed to add a certain number of new public school students to area schools. Projected new residential development must

become a prominent part of the methodology underlying the next Capital Plan, rather than a marginal factor.

2. **Plan at the neighborhood level**, rather than solely through the lens of Community School Districts. New Yorkers have a reasonable expectation that they won't have to send their elementary-age children miles away to find space in a school. When DOE describes the overall capacity of schools within a School District, it can obscure the fact that certain neighborhoods within a District constitute pockets of significant overcrowding or residential growth. DOE should analyze the need for seats in more localized areas, and build accordingly. DOE and SCA should explore creative and innovative mechanisms for reporting statistics and forecasts at the local neighborhood level, and even at the level of individual school's catchment areas. The City's well-established Community Board system could be a potential template.
3. Finally, the DOE and SCA should propose a **much more aggressive target for new seats**. The capital plan should aim to meet all three of the following goals: relieving existing overcrowding, planning for ongoing growth, and reducing class size. DOE and SCA should be able to explain, in detail, how a fully funded capital plan would be able to achieve all of these objectives.

I have written to Deputy Mayor Dennis Walcott and Schools Chancellor Joel Klein to ask them to consider these reforms, and I hope to hear back from them soon. In the meantime, I am traveling to PTAs, Community Education Councils and Community Boards all over Manhattan, to make the case for reform. I am gratified that many in the public school parent community are joining the effort by signing petitions to Chancellor Klein calling on him to implement these reforms.

With the Administration's projections that we will have a million new residents in the coming decades, and with U.S. Census data showing that children under five are the fastest growing demographic group in Manhattan, this is a problem that can't wait for a solution. Class size is proven to be one of the most critical elements in a quality education, and allowing our City to outgrow our schools will have an incalculable impact on our children's future. If we want parents -- and their employers -- to continue investing their futures here, and if we want the City to continue to flourish, we have to plan for new schools *now*.

I offer this report, and its recommendations, in the hopes of working together with the City Council and public school parents to fix the flaws in our school's capital budget and in its planning process. By working together, we can unite the City's parents, educators, and elected officials behind a strong plan to build a public school system of which current and future New Yorkers can be extremely proud.

Thank you for the opportunity to testify.

How Crowded Are Our Schools?

Results from a Survey of NYC Public School Principals

Prof. Emily Horowitz¹ (St. Francis College) & Leonie Haimson² (Class Size Matters)
May 20, 2008

Executive Summary

A new survey of more than one third of all New York City public school principals finds that the Department of Education data on school capacity is inaccurate. More than half of principals at schools that DOE reports as underutilized say their schools are overcrowded. Half of all principals say this overcrowding leads to unsafe conditions, and an overwhelming majority say that their schools are unable to provide appropriate class sizes as well as other necessary programs and services.

Background

In October of 2008, we launched a survey of public school principals, focusing on school capacity, utilization and overcrowding. The purpose was to learn more about the relationship between the official estimates of school and classroom space employed by the New York City Department of Education and the School Construction Authority, in comparison to the daily realities faced by New York City educators and students. The official figures on capacity and utilization are used to determine how much additional school space should be created through the capital plan, to reduce overcrowding and allow for smaller classes. This survey represents the first effort to quantify the true extent of overcrowding in our schools, by asking principals throughout the city about their schools' actual capacity and needs.

The "Blue Book," the document produced annually by the School Construction Authority, assigns each school a figure in percentage form to represent school utilization. This figure is based on the official capacity of each school, according to the DOE, derived from their estimate of how many students the school should be able to hold and adequately educate. If the utilization figure is above 100%, this means that the school has more students than capacity – and if it is under 100%, this means that there is extra space in the school.

According to the most recent "Blue Book" (2006-2007), 38% of New York City public school students attend schools in buildings that are above 100% utilization. 47% of elementary grade students are in schools that are overutilized, 19% of middle school students, and 51% of high school students.³ Over the years, there has been much anecdotal evidence about the inaccuracies of the official utilization data, and parents, teachers, and education advocates often report that their schools lack sufficient academic, enrichment, and administrative space despite being listed as underutilized.

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³ We are using target utilization rates, as reported in an Excel version (2006-7) of the Blue Book provided to us by the DOE.

While the DOE's official figures for the number of schools that are overcrowded are discouraging enough, the results of our principal survey reveal that *these figures significantly understate the actual level of overcrowding in the NYC school system*, for reasons explained below.

Respondents

492 principals completed our survey in full -- representing more than one third of all NYC public school principals. Their schools contain about 350,000 students --or 37% of our total public school population. About 58% are elementary school principals, 23% from middle schools, and 20% from high schools, roughly in line with the distribution of all NYC public schools, with a slightly smaller proportion of elementary school principals and slightly larger proportion of middle school principals. (See Appendix.)

The distribution by borough of the schools represented in the survey is very close to that of the city as a whole. The average length of time our respondents have been principals is five and half years. Sixty-one percent of them prepare their school's "turn-around" document on which the official DOE utilization rates are supposedly based.

Their schools have somewhat **lower** official utilization rates than schools in NYC as a whole. More specifically, 32% of respondents are at schools that the "Blue Book" reports as 100% or above, compared to 38% of NYC schools overall.

Results: DOE utilization rates are inaccurate

Nearly half (48%) of our respondents -- believe that the official utilization rate for *their own school* as reported in the Blue Book is *inaccurate*.

For principals of schools whose official utilization rates are reported as under 100%, *more than half (51%) said that the DOE utilization rate was incorrect*, and understated the actual level of overcrowding at their own school.

Fifty-four percent of all principals said that the enrollment at their own school *was not capped* at a level to prevent overcrowding.

Overcrowding leading to unsafe and inadequate conditions

The most frequently cited comments as regards the effects of this overcrowding were the following:

- Half of all principals (50%) said that overcrowding sometimes leads to *unsafe conditions* for students or staff; 43% said that overcrowding makes it difficult for students and/or staff to get to class on time.
- 38% of all principals said that their schools were too crowded to be able to provide important after-school programs or services, such as tutoring, sports, clubs and the like.

- More than one fourth (26%) of all middle and high school principals said that overcrowding sometimes makes it *difficult for their students to receive the credits and/or courses needed to graduate on time.*

Class sizes too large

86% of principals said that their class sizes were too large to provide a quality education.

While the “Blue Book” assumes target class sizes of 20 students per class in K-3, 28 students in 4-8th grades, and 34 students in high schools, most principals believe that classes in K-3 should be no larger than 20, 4-5th grade classes should be 23, and there should be 24 students per class in all other grades.⁴

- The most important factors that principals say prevent them from reducing class size to appropriate levels are lack of control over enrollment (46%), lack of space (44%) and lack of funding (36%).⁵

Loss of cluster rooms

The DOE capacity formula does not reflect the fact that *many schools over time have lost cluster rooms (dedicated to art, music, science etc.) to regular academic classrooms*, and that in fact, this process is ongoing.

One quarter of all principals (25%) reported losing their art, music or dance rooms to academic classroom space; 20% said they had lost their computer rooms; 18% had lost their science rooms; 14% had lost their reading enrichment rooms, and 10% had lost their library space.

As one principal noted, “*Over the years we have eliminated our art room & science room, and at-risk/intervention rooms. We are now going to request that our computer lab be converted to classrooms because we need another room for a class.*”

Lack of access to necessary facilities

The official capacity estimates do not consider whether the level of overcrowding prevents students from having regular access to the cafeteria, the auditorium, the library, and/or the gymnasium.

In fact at 16% of schools, students have no regular access to the school’s library; and at 29% of schools, lunch starts at 10:30 AM or earlier.

- Almost half of all schools (47%) have less than one hour of gym per week. In ten percent of schools, students have no access to an auditorium at all.

⁴ This is the mean response of principals. The median and mode responses are reported in the appendix.

⁵ We asked principals to rank these factors in order, but several included more than one as the top reason.

- Many schools have no science labs. One principal observed: *“We have over 1000 students in this building, the overwhelming majority of whom are in high school, with only a partial science lab that seats 12.”*

Inadequate space for special education and intervention services

Many principals reported using inadequate space for remediation or special education services. For example: *“We are using closet space for speech, SETTS, and SPINS.”*⁶

Another: *“The classroom that we presently have our 12:1 is too small. It was the Dean’s office space that was for our SAVE Room detainees (total 8.) The students are sitting on top of each other. Our SAVE Room is desperately needed. Disruptive students are placed in another classroom or sit with the A.P. or Principal.”*⁷

And yet another: *“We lost our Science Lab and Art Studio. Most if not all of our AIS [Academic Intervention Services] Instruction is in our hallways and inappropriate offices in the Gym.”*

Substandard rooms and use of temporary spaces

Many schools have been forced to use non-standard space for classrooms, preventing their true capacity from being properly assessed by the standard DOE formula. For example, some principals said their schools had especially small rooms that cannot hold more than 25 students; others described classrooms with columns that obstruct the student’s view of the teacher or blackboard.

- In addition, 18% of principals reported that their schools have *classrooms with no windows*.

One example: *“Our art lab and music room is in the basement. It was never suitable for classrooms.”*

- In our survey, 17 % of principals said that their schools had one or more temporary spaces (trailers, Temporary Classroom Units, or annexes).
- Several principals said that the DOE inaccurately describes their schools as underutilized – despite the fact that they rely on annexes and/or transportables to accommodate their students.

As one principal observed: *“My school occupies two buildings due to overcrowding in the main building. We have an annex which is one mile away from the main building and students are bussed there by yellow shuttle buses. There are 4 portable classrooms in the schoolyard, however due to the way that the DOE calculates space utilization, it does not deem my building as overcrowded.”*

⁶ SETTS is an acronym for Special Education Teacher Support Service – meaning special education services. We are not sure about the meaning of SPINS.

⁷ SAVE is the room reserved for students being disciplined—after the Schools against Violence in Education Act.

Conflicts with DOE over capacity ratings

18% of respondents said that their school's official capacity had been increased by DOE in recent years – that is, the number of students that the DOE claims the school can safely hold and educate. In many cases, this increase in the school's capacity occurred without any significant renovations or classrooms additions, leading many principals to distrust the results. As one principal observed, *"The blue book estimates change annually based on the needs of our school system. Really has no bearing on reality."*

Several principals reported ongoing battles with the Department of School Facilities over their capacity ratings. Asked whether they had had their ratings raised in recent years, one principal replied, *"I have fought this off. We successfully had the capacity lowered from 1000 to 900 but only with 5 meetings that were very contentious. I believe NYC is the only city who expects students to do more with less--in this case less space and area for movement."*

Battles with OSEPO

Many principals also expressed resentment at OSEPO (the Office of Student Enrollment, Planning, and Operations) for having assigned more students to their schools than they could reasonably hold; which occurs more frequently when the principal attempts to reduce class size.

A typical comment: *"Once OSEPO sees on ATS that a class has fallen below 30 they send another student."*⁸

Another: *"There is a problem when a school chooses to use their own money to lower class size (instead of an extra pullout or support position). Then DOE determines that you have space in the classroom and sends you extra students. You get punished for trying to lower class size."*

Overcrowding made worse because of DOE policies and priorities

- 27% of principals responded that overcrowding in their schools had resulted from new schools or programs having been moved into their buildings in recent years.
- In addition, several principals reported that the situation had worsened because of DOE's decision to add new grade levels to their schools, with the goal of creating more K-5, K-8, and 6-12 schools.

Other facility problems

Other pervasive problems with facilities were also commonly reported – in particular, 38% of principals said their schools lacked sufficient electrical power.

⁸ ATS stands for Automate the Schools, the school-based system which automates the collection and reporting of data for all NYC public schools.

Conclusions

The thrust of the Department of Education's current management system assumes that the educators at each school are primarily responsible for the success or failure of their students. Accordingly, the administration has devolved more responsibility and autonomy to principals to improve academic results, with the presumption that they have at their disposal most of the tools they need to succeed. *Yet principals say that they have no control over some of the most important factors determining the quality of their schools:* the allocation of space and the number of students assigned to their schools. These remain entirely within the control of the DOE. In the view of an overwhelming majority of principals, the resulting overcrowding prevents them from reducing class size to appropriate levels and being able to provide critical programs.

According to the results of this survey, current capacity and utilization figures are highly flawed and underestimate the actual level of overcrowding at many NYC public schools. We recommend that the formula used by the Department of Education to determine the actual level of school overcrowding should be significantly revised to take into account the need to ensure student and staff safety, reduce class size, provide necessary special education and intervention services, and improve access of students to gymnasiums, libraries, cafeterias, and auditoriums. The formula should also be adjusted to reflect the ongoing loss of cluster space, including art, music, and science rooms, and the existence of substandard and temporary spaces such as annexes, trailers and TCUs at many schools.

Acknowledgements

We received invaluable support from the chair of the New York City Council Education Committee, Council member Robert Jackson, and the Council of School Supervisors and Administrators (CSA), both of whom reached out to principals to ask them to complete our survey, which was posted online on October 24, 2007. This summary reports on the results of the survey as of March 24, 2008. The survey is ongoing; principals and others can reach the authors at nycprincipalsurvey@gmail.com or 212-674-7320.

We also received help and advice on the survey's overall design and methodology from the Northwest Bronx Community and Clergy Coalition, the Office of the Public Advocate, St. Francis College, the United Federation of Teachers, members of Community Education Councils and several individual teachers and principals. Our thanks go out to all of them, as well as the hundreds of NYC principals who took the time to complete the survey.

APPENDIX

Survey Background

Borough	Our Respondents	all NYC Public Schools
Manhattan	18%	18%
Bronx	22%	24%
Brooklyn	33%	31%
Queens	21%	22%
Staten Island	5%	4%

School Level	Our Respondents	all NYC Public Schools
PS	58%	64%
IS	23%	17%
HS	20%	19%

Survey Details	
Principals represented out of all NYC principals	34%
Students represented out of all NYC public school students	37%
Principals <i>in our survey</i> at schools the Blue Book says are OVER 100%*	32%
Schools <i>in all</i> of NYC the Blue Book says are OVER 100%	39%
Respondents with 5 years or more experience	50%
Principals who believe official utilization rate is inaccurate	48%
Principals at schools under 100% who believe official utilization rate is inaccurate	51%
Principals who feel that enrollment is NOT capped at an appropriate level to prevent overcrowding	54%
<i>Principals who say overcrowding always OR sometimes creates:</i>	
unsafe conditions for students/staff	50%
difficulty for students/staff to get to class on time	43%
difficult to provide adequate after-school programs (e.g. tutoring, sports, clubs)	43%
difficulty for students to receive enough credits or courses needed to graduate	26%
Principals who say their class sizes are small enough for a quality education	14%
<i>Reasons why principals have difficulty achieving classes of quality size:</i>	
lack of control over total enrollment	46%
lack of space	44%
lack of funding	35%

<i>Cluster rooms converted to general education / academic classrooms</i>				
	computer/tech lab		20%	
	reading enrichment		14%	
	art, music, dance, drama, or foreign language		25%	
	science		18%	
	library		10%	
	Schools where students have NO regular weekly library access		16%	
	Schools that start lunch at 10:30 or earlier		29%	
	Schools with LESS than 60 minutes of gym per week		47%	
	<i>Average minutes per week in gym class</i>			
	elementary		60	
	middle school		60	
	high school		120	
	Principals who say that their official capacity rating has been raised in recent years		18%	
	Principals who say that they have had space taken away in recent years		19%	
	Schools with no auditorium or no access to an auditorium		10%	
	Schools that can't fit ALL students into the auditorium at one time		77%	
	Schools with one or more academic classrooms with no windows		19%	
	Principals who say that overcrowding has increased because of new schools or programs being added to their building		27%	
	Schools without sufficient electrical power		59%	
	Schools with one or more temporary spaces (trailers, TCU's, annexes)		17%	
What SHOULD class sizes be to provide a quality education?	K-3	4-5	6-8	9-12
Mean	20	23	24	24
Median	20	22	25	25
Mode	20	20	25	25

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May 21, 2008

Testimony to the City Council of New York City Regarding the New York City Beacons

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Thank you very much for the opportunity to testify today. As you know, the Youth Development Institute worked closely with New York City on the establishment of the Beacons in 1991. Since then, YDI has continued to provide training, coaching, and other support. YDI has raised more than \$15 million to support the Beacons from private sources.

In the youth field, the Beacons are recognized throughout the country as a major accomplishment of New York City and one that has involved our youth department, the council, and the CBOs that manage Beacons. One of the first city-wide after-school programs, the Beacons have inspired the enormous growth in this field at local, state and federal levels, and have been adapted widely. YDI has helped to build Beacons in six cities. All of these cities continue to support their Beacons. They will be coming here in June to meet with staff from NYC Beacons and DYCD.

Recently, I visited three Beacons in San Francisco. They are funded at about \$1.5 million each; more than 3 times what the NYC Beacons receive. Additionally, two of the sponsoring organizations had just received special grants, open-ended amounts of \$200,000 each to increase organizational capacity.

The New York City Beacons are what other cities visit as their models. And many are extraordinary. Recently, I visited a Beacon in which young people have progressively more responsible roles over several years growing from simple participant, to counselor-in-training, to staff helper, to regular staffer. Two of these youth have returned as directors of other Beacons. That is one of the great things you see at strong Beacons—they build community capacity and leadership from within. And Beacons do not serve just youth. Through the Beacon, parents, community adults older teens, and young children come together in a safe setting—one of the few places where this can happen in our communities. This is how Beacons build a sense of community.

Yet, our Beacons are funded at \$400,000 per year, just what they received in 1991. Do the math! Another comparison: NYC OST programs receive about \$1300 per participant; Beacons receive about \$200 - \$400, depending on how many they serve. I am glad that OST is funded at this level. That is absolutely right and represents an important step in recognizing the value of after-school experiences. But why do we starve our Beacons? Nothing is more representative of the strength and richness of our city.

How can Beacons hire and retain strong staff? How can they develop and supervise strong program innovations when they are so under funded?

Therefore, I urge you: do not let these cuts affect the Beacons. Hold them harmless, protect them, and, if at all possible, increase support to them.