



New York City Council

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Hearing on the Mayor's Fiscal Year 2012 Executive Capital Budget and the Proposed Amendment to the FY 2010-2014 Five Year Capital Plan

**Department of Education
School Construction Authority**

May 17, 2011

The Committee on Finance

Hon. Domenic M. Recchia, Jr., Chair

The Committee on Education

Hon. Robert Jackson, Chair

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Overview

The Department of Education (DOE) operates approximately 1,500 school buildings and support facilities and serves over one million students. The School Construction Authority (SCA) is responsible for the Department's capital construction, which includes acquiring new school sites and designing and constructing capital projects.

The SCA coordinates with the DOE to create a Five Year Capital Plan. To determine capacity need, including the number of new seats that are needed and where they should be located, the DOE and SCA conduct space assessments, analyze population and housing trends, and assess existing school facilities. In addition, the DOE identifies need for capital projects and improvements based on the programmatic needs of schools. Finally, the SCA conducts annual Building Condition Surveys (BCAS) to identify and prioritize repair projects. The SCA uses this information to develop the Capital Plan.

April Proposed Amendment Highlights

- ☑ **Budget reduction.** Funding for the April Amendment to the Five Year Capital Plan totals \$11.1 billion, \$600 million less than the current Adopted Plan's \$11.7 billion budget. According to the DOE, this five percent drop in funding stems from a \$95 million reduction in City support for the plan. Because the state and City share capital costs, the drop in City funds resulted in a \$492 million decrease in state funding.
- ☑ **Capacity reduction.** The April Amendment proposes to reduce the capacity program.. The Amendment provides funding for 28,866 new seats, 2,314 which would be for design-only. This is a 1,511 seat reduction from the Current Plan's 30,377 seats. Funding for capacity has dropped by roughly \$800 million from the Current Plan's \$5.4 billion funding level to the April Amendment's proposed funding level of \$4.6 billion; the new capacity program decreases by about \$600 million.
- ☑ **Technology increase.** Spending on technology in schools increases by \$177 million in the April Amendment, for a total of \$957 million. This is a 23 percent increase from the Current Plan's \$780 million funding level. Of the \$957 million in the April Amendment, \$542 million would be used in Fiscal 2012.
- ☑ **PCB funding.** The April Amendment includes \$141 million for replacing inefficient, PCB-containing lighting fixtures in schools. The funding would support the first three years of a citywide Ten-Year Comprehensive Plan to improve energy efficiency in schools. The estimated cost to the DOE for the entire plan is \$708 million.

Capital Budget

Funding for the Five Year Capital Plan is reflected in both the City's Capital Commitment Plan and Ten-Year Capital Strategy for those years in which there is overlap. The City's Fiscal 2012 Executive Capital Commitment Plan, released in May 2011, totals \$28.9 billion for fiscal years 2012-2015. The Department of Education's portion of this amount is \$8.4 billion, or 29 percent of the City's capital budget.

Fiscal 2012-2015 Executive Capital Commitment Plan

The May 2011 Capital Commitment Plan includes \$8.4 billion in Fiscal Years 2012 -2015 for the DOE (including City and Non-City funds). This is 1.2 percent more than the \$8.3 billion scheduled in the September Commitment Plan, an increase of \$100 million.

For Fiscal 2012, the DOE's appropriations total \$1.1 billion in City funds in the Executive Capital Commitment Plan. These appropriations are to be used to finance the agency's \$1.4 billion City-funded Fiscal 2012 capital commitment program.

Table 1 below summarizes the Fiscal 2012-2015 Capital Commitment Plan by City and non-City funding. It also includes Fiscal 2011 for a point of comparison.

Table 1 – Department of Education Capital Commitment Plan, Fiscal 2012-2015

Millions of dollars, Total numbers are rounded

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	TOTAL
September Plan						
City	\$1,358	\$1,065	\$1,044	\$1,373	\$886	\$5,726
Non-City	1,063	1,061	1,027	1,373	500	5,024
Total	\$2,421	\$2,126	\$2,071	\$2,746	\$1,386	\$10,750
Executive Plan						
City	\$1,137	\$1,366	\$885	\$1,169	\$886	\$5,443
Non-City	\$847	1,335	821	1,098	794	4,894
Total	\$1,984	\$2,701	\$1,706	\$2,267	\$1,680	\$10,337
Difference						
City	(\$221)	\$301	(\$159)	(\$204)	\$0	(\$283)
Non-City	(216)	273	(206)	(275)	294	(130)
Total	\$437	\$574	(\$365)	(\$479)	\$294	(\$413)
Percent Chng.	(18.1)	27.0	(17.6)	(17.4)	33.2	(3.8)

Ten-Year Capital Strategy

The 2012-2021 Capital Strategy totals \$54.1 billion for all agencies. Of this amount, \$20.2, or 37 percent, is dedicated to the Department of Education. The City and state contribute roughly equal shares of capital funding for the DOE. Funding is distributed across seven broad categories. The following table shows funding amounts for the DOE broken down by category.

**Table 2 – Fiscal 2012-2021 Capital Strategy,
Department of Education**

Category	Funding FY 12-21 (\$ in millions)
System Expansion (New Schools)	\$7,369.5
Rehabilitation of School Components	5,197.2
System Expansion (Other)	2,993.8
Educational Enhancements	2,543.6
Emergency, Inspection, and Miscellaneous	1,731.1
Safety and Security	273.5
Major Modernization of Schools	13.4
Total	\$20,122.1

Rehabilitation of school components includes funding for the City's Ten-Year Comprehensive Plan for improving energy efficiency in schools while simultaneously remediating PCBs in light fixtures. Under the Comprehensive Plan the City would spend \$708.0 million to increase the energy efficiency of schools, which would include the replacement of PCB-containing fixtures associated with older lighting systems in 772 schools. Of this amount, \$141.0 million would be used through Fiscal 2014 and is included in the last three years of the DOE's 2010-2014 Five Year Capital Plan.

Educational enhancements are capital improvements associated with programmatic needs. For example, this category provides funding for computers, educational software, network upgrades, science labs, and re-wiring schools for internet access.

In addition to the seven categories illustrated in Table 2, the Ten-Year Capital Strategy provides \$1.7 billion for miscellaneous capital improvements. The Mayor/Council Program, emergency projects, and prior plan completion costs are examples of the types of projects funded here.

Five Year Capital Plan

The Amendment Process

The Department of Education creates its capital plan through the School Construction Authority (SCA) in five-year increments. After initial adoption of the Five Year Capital Plan, it is amended annually. An annual amendment is typically proposed in November of each year and a revised proposed amendment is usually issued in February. The Council reviews the November Proposed Amendment and submits suggestions for changes to the Capital Plan, as do the Community Education Councils (CECs). The SCA has incorporated some of these suggestions into the February Revised Proposed Amendment and will continue to review others for possible addition into next year's November Proposed Amendment.

The Revised Proposed Amendment must be approved by the Panel for Education Policy (PEP) before it can be voted on by the City Council. Historically the Council's vote has been conducted in conjunction with the adoption process, but by law, the Council can vote on the plan at any time after the PEP approves the amendment and before July first of that year.

The 2010-2014 Five Year Capital Plan (Current Plan) was originally approved by the City Council in June 2009, and has since been replaced with the February 2010 Revised Amendment for the same period (the Adopted, or Current Plan). The February 2011 Revised Proposed Amendment (February Amendment) was not considered by the PEP or the City Council because it reflected proposals in the Governor's Executive State Budget that were not adopted, significantly changing available state funding for the February Amendment. The Department released a new Revised Proposed Amendment in April 2011 (April Amendment) to replace the February Amendment, and the February Amendment was withdrawn from consideration. The April Amendment is reviewed in this report.

Structure of the Plan

The Five Year Capital Plan report issued by the DOE includes a narrative that outlines various categories of spending as well as several appendices that provide detailed information about the projects in the plan.

The narrative is organized into two main categories and various subcategories. The two major areas are Capacity and Capital Improvement.

- ☑ **Capacity** includes all projects that create new school facilities. It is separated into three separate divisions: New Capacity, Facility Replacement, and Charter Partnership schools.
- ☑ **Capital Investment** includes all projects undertaken to improve and upgrade existing facilities. This category is divided into the following subcategories: Capital Improvement Program (CIP), Children First Initiatives, and Mandated Programs. The Appendix is comprised of various lists of projects organized in different ways.

The SCA publishes three versions of the Five Year Capital Plan: the Classic Edition, the School-Based Edition sorted by City Council district and school, and the School-Based

Edition sorted by borough, school district, and school. The narrative of the report is consistent among the three editions. The reports differ in the structure of their appendices.

Though the structure of the appendices differs by each report, all reports include generally the same information. However, the School-Based editions provide a more comprehensive list of projects in the School Based Program Appendix, as described below, than the Classic Edition provides. Every report includes a **Plan Summary** table and **Borough Summary** tables that disaggregate the budget by fiscal year among various project categories. These tables are useful for determining citywide or borough spending by various categories for each year of the Capital Plan. The Classic Edition also includes separate tables that provide detail on several specific programs, such as initiatives or project areas that seem to be of special interest to the city. For example, on pages C8-C9 of the Appendix is a list of all individual projects within the Science Lab Program. In addition, the following are useful tables available in the appendices of the Capital Plan reports:

- ☑ **Capacity Projects** – these tables provide the highest level of detail for individual capacity projects in the Plan, laying out information such as the project location if it has been sited, the forecasted capacity the project will create, design and construction start dates, estimated completion dates, estimated costs, and funding requirements to complete the projects.
- ☑ **Replacement Projects** – delivers the same information as is included in the capacity projects table for capacity projects that replace, rather than add, seats.
- ☑ **School Based Program** – these tables list capital improvement projects in the Capital Plan that have a construction start date in the first fiscal year of the Capital Plan through the first fiscal out year. Therefore, the April 2011 Amendment includes projects from 2010-2013. The organization of the school based program tables varies by plan edition, with the most comprehensive tables in the School-Based editions.
- ☑ **Added Projects** – a list of capital improvement projects that have been added to the amendment since the last adoption. Therefore, the Current Plan includes no projects from the April Amendment's Added Projects table.
- ☑ **Cancelled projects** – those projects that are in the Current Plan but removed from the amendment. This chart provides a reason for each project's cancellation.

April Proposed Amendment to the 2010-2014 Five Year Capital Plan

The April Amendment includes a total of \$11.1 billion to fund capacity and capital improvement projects through Fiscal 2014. The Amendment provides \$600 million less than the Current Plan's \$11.7 billion budget, a five percent reduction. The following chart depicts the variances from the Current Plan to the Proposed Amendment:

Table 3 – Funding Variance from Current Plan to April Amendment

	Current 2010-2014 Capital Plan	April 2011 Proposed Amendment	Increase (Reduction)	Percent Change
Capacity				
New Capacity	\$3,997.8	\$3,445.8	(\$552)	(13.8%)
Facility Replacement Program	1,180.0	938.9	(241.1)	(20.4)
Charter/Partnership Schools	210.0	210.0	0	0
Capacity Total (in Millions)	\$5,387.8	\$4,594.7	(\$793.1)	(14.7%)
Capital Investment				
Capital Improvement Program	\$2,131.9	\$2,309.4	\$177.5	8.3%
<input checked="" type="checkbox"/> Exteriors	1,277.2	1,384.2	107.0	8.4
<input checked="" type="checkbox"/> Interiors	793.2	701.2	(92.0)	(11.6)
<input checked="" type="checkbox"/> Other	153.5	132.0	(21.5)	(14.0)
Children First Initiative	1,641.5	1,653.8	12.3	0.75
<input checked="" type="checkbox"/> Technology Enhancements	780.0	956.8	176.8	22.7
<input checked="" type="checkbox"/> Facility Enhancements	861.5	697.0	(164.5)	(19.1)
Mandated Programs	2,259.7	2,149.8	(109.9)	(4.9)
<input checked="" type="checkbox"/> Remediation/Code Programs	224.2	266.8	42.6	19.0
<input checked="" type="checkbox"/> Fixed Programs	2,035.5	1,883.0	(152.5)	(7.5)
Capital Investment Total (in Millions)	\$6,033.1	\$6,113.0	\$79.9	1.3%
City Council, Borough President, and Mayor/Council	\$300	\$400	\$100.0	33.3%
Grand Total (in Millions)	\$11,720.9	\$11,107.7	(\$613.2)	(5.2%)

As described previously and illustrated by Table 3 above, the Five Year Capital Plan is organized into two main categories of spending: Capacity and Capital Investment. Capacity includes New Capacity, the Facility Replacement Program, and Charter/Partnership Schools. Capital investment includes the Capital Improvement Program (CIP), Children First Initiatives, and Mandated Programs. Capacity funding totals \$4.6 billion and Capital Investment totals \$6.1 billion in the April Amendment. Both categories are broken down below in greater detail.

Capacity**\$4.6 billion**

The April Amendment includes \$4.6 billion for capacity, an \$800 million, 14.7 percent decrease from the \$5.4 billion included in the Current Plan. Capacity is broken down into New Capacity and the Facility Replacement Program.

New Capacity**\$3.4 billion**

The Amendment includes \$3.4 billion for new capacity, which represents new seat construction. Under the Proposed Amendment, the SCA will add 28,866 new seats, a reduction of 1,511 seats compared to the 30,377 seats in the Current Plan. Roughly 3,100 of the seats in the Amendment will be for special education students, compared to 3,300 in the Current Plan. Out of the 28,866 new seats, 2,314 would be funded for design only in this plan, meaning the Amendment does not include funding for the construction of these seats. Funding for their construction would be included in the next Five Year Plan. Therefore, the April Amendment provides funding for the construction of 26,552 new seats. Of the seats for construction, 8,480 were shifted from the Fiscal 2005-2009 Capital Plan. This rollover is due to, in part, to the stretching of the City's overall capital budget in past years, resulting in delays for some projects. Siting difficulties account for the rest of the new capacity seat roll.

The SCA has further delineated its capacity plan into sub-districts as shown in the chart below.

Table 4 – New Capacity Projects

District	Sub-Districts	Current Plan Seats	April 2011 Amend.	Changes
2	Tribeca / Village	1,301	1,301	0
2	Chelsea / Midtown West	1,127	1,127	0
2	Flatiron / Gramercy / Murray Hill	738	738	0
2	Upper East Side	500	500	0
	Subtotal District 2	3,666	3,666	0
3	Upper West Side	0	480	480
8	Pelham Bay / Edgewater Park / Throgs Neck	318	0	(318)
9	Highbridge	389	391	2
10	Spuyten Duyvil / Riverdale / Fieldston / North Riverdale	416	416	0
10	Kingsbridge / Norwood / Bedford Park	832	640	(192)
	Subtotal District 10	1,248	1,056	(192)
11	Van Nest / Pelham Parkway	1,476	1,476	0
13	DUMBO / Navy Yard / Fort Greene	360	360	0
14	Williamsburg / Greenpoint	612	612	0
15	Sunset Park	738	1,495	757
15	Park Slope	738	738	0
15	Carroll Gardens /Gowanus /Red Hook	738	0	(738)
	Subtotal District 15	2,214	2,233	19
20	Owls Head Park / Bay Ridge	1,476	1,476	0
20	Dyker Heights	1,570	416	(1,154)
	Subtotal District 20	3,046	1,892	(1,154)

District	Sub-Districts	Current Plan Seats	April 2011 Amend.	Changes
22	Flatlands/ Midwood	1,154	1,154	0
24	North Corona / South Corona / Lefrak City/ Elmhurst	2,952	3,123	171
24	Maspeth / South of Woodside	612	612	0
24	Glendale / Ridgewood	738	756	18
	Subtotal District 24	4,302	4,491	189
25	Beechhurst / College Point / Whitestone	416	232	(184)
25	Flushing / Murray Hill / Willets Point	738	738	0
	Subtotal District 25	1,154	970	(184)
26	Bayside and Auburndale	416	416	0
27	Howard Beach / Lindenwood	416	416	0
27	Ozone Park / South Ozone Park / Richmond Hill/ Woodhaven	416	416	0
	Subtotal District 27	832	832	0
28	Rego Park / Forest Hills / Kew Gardens / Jamaica	416	757	341
29	Hollis	738	738	0
30	East Elmhurst / Jackson Heights	1,553	1,553	0
30	Woodside / Sunnyside	1,570	832	(738)
30	Long Island City / Ravenswood	578	578	0
	Subtotal District 30	3,701	2,963	(738)
31	South Shore	416	444	28
31	New Dorp	832	844	12
31	North Shore	416	416	0
	Subtotal District 31	1,664	1,704	40
	Small PS And PS/IS Buildings	27,706	26,191	(1,515)
	Brooklyn	1,202	1,202	0
	Queens	1,469	1,473	4
	IS/HS Total	2,671	2,675	4
	Grand Total	30,377	28,866	(1,511)

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Changes in the number of Current Plan seats to April Amendment seats reflect not only changes in the budget from plan to plan, but also an updated needs analysis conducted by the DOE. Despite an overall decrease in total seats, the amendment has added seats to several sub-districts.

- ☑ Sunset Park in school district 15 sees an increase of 757 seats, more than doubling the number in the Current Plan.
- ☑ The Upper West Side in school district 3 gains 480 seats.
- ☑ Rego Park/Forest Hills/Kew Gardens/Jamaica, school district 28, gains 341 seats.

Some districts would get fewer seats in the April Amendment than under the Current Plan.

- ☑ Dyker Heights in school district 20 loses 1,154 seats.
- ☑ Carroll Gardens/Gowanus/ Red Hook in school district 15 loses 738 seats.
- ☑ Woodside/Sunnyside, school district 30, loses 738 seats.

Capital projects by nature happen over several years, and with that in mind, it is important to note the significant number of new seats that will come online during the Fiscal 2010-2014 plan period that were funded in the 2005-2009 Five Year Capital Plan. The funding for these seats remains in the last plan and the following new seats' costs are not reflected

in the Current Plan or the Proposed Amendment. Currently there are 7,266 seats in process from the 2005-2009 Five Year Plan that will come online over the next three years, with 2,520 in September 2011, 4,137 in September 2012, and 609 in September of 2013, as shown in the chart below.

Table 5 – Seats Coming Online in 2011-2013

Borough	District	Sept. 2011	Sept. 2012	Sept. 2013	Total Seats
Manhattan	2	630	380	0	1010
Bronx	9	0	715	0	715
	10	461	0	0	461
	78x	0	372	0	372
Subtotal Bronx		461	1087	0	1,548
Brooklyn	15	0	0	609	609
	20	0	886	0	886
Subtotal Brooklyn		0	886	609	1,495
Queens	27	410	0	0	410
	28	1,019	665	0	1,684
	78Q	0	1,119	0	1,119
Subtotal Queens		1,429	1,784	0	3,213
Grand Total		2,520	4,137	609	7,266

Facility Replacement Program

\$938.9 million

Funding in the Facility Replacement section of the Capacity category is intended for the replacement of facilities whose leases will expire during this five year plan. At this point, the funding level for leased facility replacement is \$939 million over the five year period, which will allow for the replacement of 6,500 seats. The Current Plan provides for the replacement of 9,000 seats with a \$1.2 billion budget. The reduction stems from a decreased need to replace seats.

Charter/Partnership Schools

\$210 million

Funding for the Charter Partnership area of Capacity remains unchanged from the Current Plan and receives \$210 million. The DOE's investments in charter schools are executed in partnership with outside organizations. Partnerships include those formed through the Charter Facilities matching grant program. Under this program, private partners may contribute up to fifty percent of the capital costs for charter schools (for more information on this program, see page 32 of the April Proposed Amendment to the Fiscal 2010-2014 Five Year Capital Plan).

Charter Schools have proven to be an area of great debate among the advocacy community, the Administration and parents. The main concern for advocates and parents is that the majority of the Charter Schools share space with public schools and that they are contributing to the overcrowding problem. In addition, many individuals question why the Charter/Partnership category of spending has not decreased despite an overall reduction

in capacity spending, and maintain that some Charter/Partnership funds should be put into increasing the capacity of traditional public schools. The DOE notes that Charter Schools achieve at a high level and can be built at a lesser cost to the City due to the fact that Charter Schools raise private funds. The SCA has stated that Charter Schools created during the 2005-2009 Capital Plan were done so for 73 cents on the dollar when compared to normal new capacity construction for public schools. The DOE will continue to explore Charter and Partnership opportunities and the Proposed Amendment has the following Charter School projects planned at this point:

Table 6 – Planned Charter School Projects

Charter School	School District	Number of Seats
KIPP High School	7	800
DREAM	4	450
ICAHN	11	924
Harlem Promise Academy	5	1,200
PAVE	15	350
Total		3,724

Capital Investment

\$6.1 billion

The Capital Investment category receives \$6.1 billion in the April Proposed Amendment, up slightly from \$6.0 billion in the Current Plan. These amounts do not include additional funding from the City Council, Borough Presidents, or other sources.

Capital Improvement Program

\$2.3 billion

The April Amendment includes \$2.3 billion for the Capital Improvement Program (CIP), a \$177.5 million increase from the Current Plan. The program includes all interior and exterior upgrades to the DOE building stock of approximately 1,500 buildings, with work such as building repairs, system replacements, and reconfiguration of existing school buildings. Many of the schools/buildings in the DOE's portfolio are over 50 years of age and in need of a great deal of repair.

Projects are chosen for the plan based on the level of need for repair. The level of repair need is derived from the annual Building Condition Assessment Survey (BCAS) report that is conducted by the SCA with the principals and custodial staff of the schools. Each area of need that is identified is ranked from one to five, with five having the greatest need. Given the constraints of the budget, the SCA is able to address, for the most part, only level five conditions in the April Amendment. In addition, some building elements rated level three or four will be included. If the City had additional funding for CIP, the SCA could address more level three and four building elements. This is important to note because improvement projects tend to become more expensive as building conditions worsen, so addressing problems before they become level fives might save the City money in the long-term.

Exteriors**\$1.3 billion**

Much of the capital work on buildings' exteriors is performed to make the facility water right. Water infiltration is the single greatest cause of accelerated deterioration of existing facilities. The SCA prioritizes making every building water tight in order to assuage water damage and hopefully keep the building stock in satisfactory condition until it is able to identify funding for greater improvements.

Interiors**\$793.1 million**

Interior improvements include capital work identified by the BCAS, work required to fulfill educational needs, and work funded under PlaNYC initiatives. Examples of project areas are cafeterias, kitchen upgrades, and elevators. Funding for interiors increases by \$92 million from the Current Plan and totals \$793.1 million in the April Amendment.

The net increase in funding for interiors stems from an additional \$139.3 million in the Amendment for lighting fixtures. Of the total \$158.2 million provided for lighting fixtures, \$141 million will be for upgrading inefficient, PCB-containing light fixtures. The issue of high levels of PCBs came to light since the November 2010 Amendment, as new research was released that demonstrates elevated PCB levels in schools, caused largely by outdated light fixtures. The funding will support the City's Ten-Year Comprehensive Plan for PCB remediation, which has been incorporated into PlaNYC. DOE's funding support over the entire ten-year plan is projected to be \$708 million.

Lighting fixtures that have been identified as having deteriorated ballasts are being changed immediately. In addition, the 35 buildings in which these fixtures have been found will have comprehensive lighting replacement performed within one year of being listed on the DOE's website. The Department also provides a list of these buildings on pages 40-41 of the April Proposed Amendment to the 2010-2014 Capital Plan.

The April Proposed Amendment also includes \$135.8 million for boiler conversions. As part of the Ten-Year Comprehensive Plan, boilers using number 4 or 6 fuel oil will be converted to boilers that use cleaner, safer fuel. Funding for boiler conversions has decreased by \$110 million, or 44.7 percent, from the Current Plan's \$245.8 million funding level for this program.

Children First Initiatives**\$1.7 billion**

Children First Initiatives are projects that support the Department's reform and instructional policies. The April Amendment includes \$1.65 billion for Children First Initiatives, up slightly from \$1.64 billion in the Current Plan. This category contains two main subcategories: Technology and Facility Enhancements.

Technology enhancements**\$956.8 million**

The DOE seeks to meet the challenge of college and work readiness by using technology as a transformative tool for learning, motivating students, expanding access to learning, and tailoring instruction to individual needs. The technology program includes work such as:

- ☑ Classroom hardware and installation (\$350.0 million)
- ☑ School building and classroom connectivity cabling; schools' bandwidth upgrades (\$250.0 million)
- ☑ School network equipment and common area wiring; MDF/IDF upgrade; security (\$90.8 million)
- ☑ Wireless technology upgrade (\$110.0 million)
- ☑ School application: Teacher/student class relationships (\$6.0 million)
- ☑ Learning systems/platforms (\$45.0 million)
- ☑ Business and operations applications (\$105.0 million)

The DOE aims to connect all schools to the Internet under this Capital Plan. The April Amendment provides \$957 million for technology enhancements, a \$177 million increase from the Current Plan. Of this amount, \$542.3 million would fund projects in Fiscal 2012.

These projects will take place citywide as the DOE aims to begin conducting all student assessments and testing online within the next several years. In addition, New York State has joined the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment consortium in seeking Race to the Top assessment funds. States participating in this consortium propose to launch a redesigned ELA and Math assessment program in the 2014-15 school year, with most assessment conducted online. The DOE's spending on technology in the final years of the Capital Plan is in part to enable New York City to participate in the assessment program.

The improved technological infrastructure will also enable the Department to expand its Innovation Zone (iZone) program. New to the Five Year Capital Plan, the DOE plans to develop 400 Innovation Zone schools, which will use technology to enable personalized learning for students as well as student and teacher participation in online learning. An online learning platform would enable the DOE to conduct professional development online, offer online Advanced Placement courses, online credit recovery courses, and blended classes for students. This plan has been scaled up from the November Amendment, which proposed developing 200 iZone schools. Though not all schools benefitting from enhanced technology will participate in the iZone program within the next few years, the upgrades will prepare them for future participation in the program.

The City Council also funds many computer labs and technology purchases for schools in council districts that work in conjunction with the DOE/SCA's initiatives, providing even greater benefits to the students.

Facility Enhancements**\$697.0 million**

The Facilities Enhancements Program funds facilities adjustments that enable changes to instructional offerings in particular buildings. This program complements the SCA's new capacity program by ensuring that the schools are making use of existing space in the most efficient way possible and that this space is aligned with the goals of meeting demand and improving student achievement. The program includes:

- ☑ Facility restructuring (\$205.0 million)
- ☑ Safety and security (\$80.2 million)
- ☑ Science lab upgrades (\$95.0 million)
- ☑ Accessibility (\$75.0 million)
- ☑ Physical fitness upgrades and transportable classroom unit removal (\$210.7 million)
- ☑ Library upgrades (\$10.1 million)
- ☑ Auditorium upgrades (\$21.0 million)

Funding in the Proposed Amendment for facility enhancements is \$697 million, down from the Current Plan's \$861.5 million.

In order to plan facility restructuring, the DOE conducts ongoing assessments of demand for services, facilities utilization, student learning conditions, and community education priorities by neighborhood, and across the City. Two basic situations generate the need for realignment; need for institutional space and changes to planned instructional services. Need for instructional space is identified in situations when new schools are opened within existing schools, an existing school is relocated, grade levels within a school are reconfigured, or the enrollment conditions are adjusted. Changes to planned instructional services can create new space needs where for example, the additions of full-day pre-kindergarten classes are added and all other classes are fully-enrolled.

Page 50 of the April Proposed Amendment provides a table outlining a prospectus for realignment strategies in order to solve the problem of over-enrollment. The proposed strategies are based on 2010-2019 capacity projections and 2010 housing.

Mandated Programs**\$2.1 billion**

This program area addresses existing facility needs for which it is not possible or appropriate to allocate funds by Borough, District, or school. The April Amendment includes \$2.1 billion for mandated programs, a \$109.9 million decrease from the Current Plan. Mandated Programs is composed of two main sub-categories: Remediation and Code Compliance; and Fixed Programs.

Remediation and Code Compliance**\$266.8 million**

The Remediation and Code Compliance Program includes funding to undertake required work in existing DOE facilities. The projects included in this area are:

- ☑ Asbestos abatement (\$155.7 million)
- ☑ Lead abatement (\$14.2 million)
- ☑ Emergency lighting (\$15.5 million)
- ☑ Code compliance (\$81.4 million)

Remediation and Code Compliance receives \$266.8 million in the April Proposed Amendment, up from \$224.2 million in the Current Plan. The \$42.6 million difference is a 19 percent increase from the Current Plan. Spending growth in asbestos abatement and code compliance account for the overall increase in funding.

Fixed Programs**\$1.9 billion**

This category comprises the majority of funding in Mandated Programs, with \$1.9 billion planned in the Proposed Amendment. Funding for Mandated Programs is necessary to execute the other spending areas in the Capital Plan. There are four main areas in Fixed Programs:

- ☑ Building Conditions Surveys (\$48.4 million) – Funds the completion of the annual BCAS surveys.
- ☑ Wrap-up Insurance (\$486.5 million) – The cost associated with the SCA's Owner Controlled Insurance Program (OCIP). This program allows contractors and subcontractors working on SCA projects to become insured through the SCA for Worker's Compensation and Employer's Liability, General Liability, Excess Liability, and Builder's risk. Currently over 1,500 contractors are enrolled in OCIP.
- ☑ Prior Plan Completion Cost (\$1.1 billion) - Funds projects still in progress from the last five year plan, in this case, the 2005-2009 capital plan.
- ☑ Emergency, Unspecified, and Miscellaneous projects (\$289.4 million) – This funding allows the SCA to respond to any unforeseen needs and emergencies that arise during the course of executing its capital plan.

Changes from November Draft Amendment to April Proposed Amendment

The November Amendment was a bold proposal by the DOE, calling for a \$4.9 billion, 43 percent funding increase from the Current Plan. Urged by the City Council, the DOE and SCA developed the November Amendment by basing the capital plan on more accurate projection of need, rather than identifying need based on the fiscal climate. The plan would have increased capacity by 19,697 seats, or nearly 65 percent from the Current Plan. The DOE also had asked for an additional \$1.2 billion for technology in schools.

There are a numerous changes between the November Draft Amendment and the April Proposed Amendment. The April Proposed Amendment more closely resembles the Current Plan. Overall, the DOE has scaled back capital work with its April Amendment in response to budgetary constraints.

Capacity

- ☑ New Capacity funding has decreased by \$3.9 billion, or 52.3 percent, from the November Plan's \$7.4 billion proposal to the April Amendment's \$3.5 billion proposal.
- ☑ Total new seat recommendations fell from 50,074 in the November Draft Amendment to 28,866 in the April Proposed Amendment, for a loss of 21,208 seats.
- ☑ Of the 28,866 seats in the April Amendment, 26,552 would be for design and construction. Based on a needs analysis, the November Amendment proposed constructing 47,774 seats in the 2010-2014 Plan.

Capital Investment

- ☑ Funding for Capital Investment has gone down by \$900 million from \$7.4 billion to \$6.5 billion, a 12.2 percent decrease.
- ☑ The April Amendment proposes \$158.2 million for lighting fixtures within the Capital Improvement Program. This is an 858.7 percent increase from the November Plan's \$16.5 million. The additional \$141.7 million added to the plan would be used for PCB remediation, specifically the replacement of PCB-containing light fixtures.
- ☑ Spending on Children's First Initiatives has fallen by \$900 million, from \$2.6 billion to \$1.7 billion. In both amendments spending on technology increases from the Current Plan.

School Utilization and Capital Planning

In addition to the Five Year Plan, the DOE produces several reports that can help gauge the adequacy of its new school capacity program, such as the Enrollment-Capacity-Utilization Report, also referred to as the "Blue Book". The "Blue Book" shows the DOE's school usage by comparing school and building enrollment rates with each school's and building's "historical" and "target" capacity. In addition, the "Blue Book" shows yearly changes in school utilization rates. The "Blue Book" can be found on the Department of Education's website at schools.nyc.gov and is referenced in the Fiscal 2010-2014 Five Year Capital Plan's "Current Utilization" section. School utilization rates are crucial to the DOE's capital planning. The SCA and the Department use the "Blue Book" as a guide in developing amendment proposals to the DOE's capital plan and to determine where to add new seats.

The SCA and DOE also conduct annual need analyses to determine capacity needs across school districts prior to making amendments to the plan. Although the SCA refers to the "Blue Book" utilization rates throughout the capital plan, it is solely the DOE's Office of Portfolio Planning that makes planning decisions for use of new and existing seats.

The DOE's Office of Portfolio Planning uses the "Blue Book" to develop planning for new seats, siting for co-locations and the creation new school communities. The Office of Portfolio

Planning also conducts space assessments to identify over- or under-utilized school buildings. The Department's space assessment results help determine a building's maximum utilization rate or capacity, as discussed in the "New Capacity Program" section of the capital plan. Despite the DOE's need analyses and school space assessments, over-utilization of school space or overcrowding in New York City public schools has been an ongoing problem.

Issues

Overcrowding

Overcrowding in New York City public schools is a historic and controversial issue. Despite the consolidation of the DOE's capital program under the SCA in 2002 and the City and state's significant infusion of funding, many school districts and neighborhoods still have more students than they have seats.

Table 7 below shows a breakdown of overcrowded buildings and schools by community school district in the 2009-2010 school year. The table gives a snap-shot of school utilization as measured by the DOE's "Blue Book" and attempts to link this information to the DOE's capital budget.

In 17 out of the 32 school districts, overutilization of school buildings exceeds 1,000 students. Based on the DOE's 2009-2010 "Blue Book", 484 small PS and/or PS/IS buildings are over building capacity with an excess of over 44,000 students. In addition, there are 649 schools over-utilized with an excess of over 49,000 students in school capacity.

In intermediate and high school buildings comprised of grades 6 through 12, Table 7 shows overcrowding on a borough level. According to the DOE's "Blue Book" there are 212 overcrowded IS/HS buildings, equating to 32,701 excess students. On a school level, there are 597 IS/HS schools that are over school capacity with an excess of 34,518 students.

Table 7 – 2009-2010 Utilization Report Compared to 2010-2014 Capital Plan and Amendments*

Small PS & PS/IS									
CSD	Total # of Bldgs.	# of Bldgs. Over Utilized	CSD total students in excess of capacity	# of Schools	# of Schools Over Utilized	CSD Total School in Excess of Capacity	February 2010 Adopted Planned Seats	November 2010 Amendment Planned Seats	April 2011 Amendment Planned Seats
D1	17	3	57	50	10	413	N/A	N/A	N/A
D2	37	21	2,278	70	30	2,379	3,666	4,624	3,666
D3	24	7	421	67	14	693	N/A	480	480
D4	19	1	216	63	7	286	N/A	1,201	N/A
D5	20	3	635	57	12	1,290	N/A	N/A	N/A
D6	39	15	963	77	18	914	N/A	N/A	N/A
D7	23	2	105	50	12	473	N/A	N/A	N/A
D8	39	16	1,209	71	24	1,587	318	1,201	N/A
D9	49	19	1,259	88	23	1,650	389	1,148	391
D10	72	41	4,067	106	49	4,476	1,248	2,897	1,056

CSD	Total # of Bldgs.	# of Bldgs. Over Utilized	CSD total Students in excess of capacity	Total # of Schools	# of Schools Over Utilized	CSD total Students in Excess of Capacity	February 2010 Adopted Planned Seats	November 2010 Amendment Planned Seats	April 2011 Amendment Planned Seats
D11	50	27	2,717	71	32	2,984	1,476	3,004	1,476
D12	28	6	623	60	15	757	N/A	N/A	N/A
D13	27	4	253	50	6	309	360	360	360
D14	27	5	418	48	8	650	612	612	612
D15	35	18	1,241	63	22	1,350	2,214	4,251	2,233
D16	17	1	36	43	3	74	N/A	N/A	N/A
D17	31	7	543	49	10	694	N/A	N/A	N/A
D18	30	4	202	49	5	202	N/A	N/A	N/A
D19	40	8	529	70	13	780	N/A	N/A	N/A
D20	34	24	4,046	50	28	4,058	3,046	5,317	1,892
D21	34	10	651	51	16	782	N/A	N/A	N/A
D22	61	26	1,745	48	29	1,786	1,154	1,154	1,154
D23	50	2	99	43	8	201	N/A	N/A	N/A
D24	39	35	4,232	71	38	4,260	4,302	7,096	4,491
D25	55	19	1,122	56	20	1,194	1,154	2,171	970
D26	47	17	1,173	53	22	1,212	416	416	416
D27	45	30	3,375	89	34	3,492	832	832	832
D28	47	32	2,198	68	36	2,338	416	1,645	757
D29	45	18	1,585	61	22	1,609	738	1,822	738
D30	42	23	2,460	70	28	2,581	3,701	4,341	2,963
D31	67	35	3,432	116	48	3,532	1,664	3,218	1,704
D32	21	5	224	34	7	277	N/A	N/A	N/A
Total	1,211	484	44,114	2,012	649	49,283	27,706	46,652	26,191
High Schools Only									
High Schools	Total # of Bldgs.	# of Bldgs. Over	Borough Total Students in Excess	Total # of Schools	Total # of Schools Over Utilized	Borough Total Schools in Excess	February 2010 Adopted Plan	November 2010 Amendment	April 2011 Amendment
Brooklyn	64	22	8,342	184	51	8,921	1,202	1,202	1,202
Bronx	40	14	3,984	134	42	4,374	N/A	N/A	N/A
Manhattan	46	15	3,818	131	32	4,484	N/A	N/A	N/A
Queens	53	28	14,531	123	40	14,693	1,469	2,283	1,473
S.I.	9	4	2,026	25	10	2,046	N/A	N/A	N/A
Total	212	83	32,701	597	175	34,518	2,671	3,485	2,675

*Source: DOE 2009-2010 Enrollment-Capacity-Utilization Report and SCA 2010-2014 Plan, November 2010 and April 2011 Amendments. This table does not reflect underutilized buildings or schools. The SCA only plans for high school seats on a borough level. This does not reflect the original class size plan as stipulated by the Contracts for Excellence legislation and approved by the New York State Education Department in 2007.

The current Plan includes over 27,000 new small PS and/or PS/IS seats and 2,671 IS/HS seats: 1,202 new seats in Brooklyn and 1,469 in Queens. The November Amendment proposed 46,652 new small PS and/or PS/IS seats and 3,485 IS/HS seats. Despite the November Amendment proposals, the April Amendment only includes 26,191 new small PS and/or PS/IS seats and 2,675 new IS/HS seats. This raises concerns that the Five Year Plan does not project the impact of building new schools on overcrowding and class size issues, with a fear conditions will worsen.

High School Dropout Rates

The Department of Education's four-year high school dropout rate has been declining since 2005, as shown in Table 8. The DOE has implemented new policies in an effort to retain more high school students. The dropout rate and the high school five-year and six-year graduation rates impact high school enrollment and can increase utilization rates. If retention rates continue to increase, the high school overcrowding problem may worsen if more seats are not added to the DOE's capital plan.

Table 8 – High School Dropout Rates (05'-09')

School Year (SY)	% of Dropout	SY to SY Difference
2005	22.0%	N/A
2006	18.5%	3.5%
2007	15.8%	2.7%
2008	13.5%	2.3%
2009	11.8%	1.7%

**Source: http://schools.nyc.gov/Accountability/Reports/Data/Graduation/GRAD_RATES_2009_HIGHLIGHTS.pdf and only reflect 4-year dropout rates*

Kindergarten Waitlists

The DOE has had thousands of waitlisted kindergarten students over a span of three years. The Department's kindergarten waitlists are comprised solely of zoned students and siblings of non-zoned students. The Department also has kindergarten seats in charter schools and Gifted and Talented programs that help to slightly reduce waitlists. The Fiscal 2010-2014 Capital Plan makes reference to this issue in the "New Capacity Needs Assessment" section.

Table 9 – Number of Kindergarten Waitlisted Students by Borough

School Year	Manhattan	Bronx	Brooklyn	Queens	Staten Island	Total
2009	88	131	76	182	22	499
2010	788	150	372	772	135	2,217
2011	919	137	856	1,066	215	3,193

**Source: DOE Kindergarten Waitlist Data, Class Size Matters*

As shown in Table 9, the DOE's kindergarten waitlists totaled 499 students citywide in the 2008-2009 school year, and had the highest need of kindergarten placements in Queens with 182 students waitlisted and in the Bronx with 131 students waitlisted. The DOE's kindergarten waitlist totaled 2,217 students citywide in the 2009-2010 school year, with the most waitlisted students in Manhattan, 788 students; Queens, 772 students; and Brooklyn, 372 students.

The DOE's kindergarten waitlist totals 3,193 citywide in the 2010-2011 school year and have the most waitlisted students in Queens with 1,066 students waitlisted; Manhattan with 919 students; and Brooklyn with 856 students. Kindergarten waitlist trends show consistent increases in Brooklyn, Queens and Manhattan. Despite the Department's emphasis on parent choice, kindergarten waitlists steadily increase every school year. This gives an indication of a need for more kindergarten seats in the DOE's capital plan.

Class Size

The Department of Education released the Updated Class Size Report this February. The table below shows general education and CTT class sizes citywide. The information from the report shows that despite policy goals to maintain small class sizes, most children in the lower grades are in classes with more than 20 students. On a citywide level this equates to 52,785 or 76 percent of Kindergarten students; 58,533 or 81 percent of first grade students; 57,021 or 82 percent of second grade students; and 57,266 or 85 percent of third grade students in classes with more than 20 students.

Trends in class size show a citywide increase over the past few years, especially in grades K-3. The DOE's Updated Class Size Report shows a significant need to lower class sizes, despite policy efforts to lower class size. There is concern that if class size continues to increase there will be an even greater need for K-3 seats in the DOE's capital plan.

Table 10 – Class Size: Citywide Change over time
(General Education and CTT classes only)

Grade Level	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Preliminary 2011
K	20.9	20.8	20.9	20.7	20.6	20.7	21.7	22.0
1	21.6	21.7	21.2	21.3	21.1	21.3	22.0	22.9
2	21.6	21.2	21.1	21.1	21.1	21.4	22.2	23.2
3	22.2	21.5	21.4	21.3	21.0	21.9	22.5	23.8
4	24.6	24.3	24.0	23.9	23.5	23.4	24.4	25.0
5	26.4	26.2	25.5	25.0	24.1	24.2	24.8	25.4
6	27.1	26.7	26.4	26.0	25.5	25.6	26.1	26.3
7	28.3	28.0	27.3	27.2	26.2	26.5	26.8	27.1
8	28.1	28.0	27.3	27.2	26.6	26.8	27.5	27.4
Middle School Core			_*	_*	_*	25.2	26.2	26.9
HS Core			26.2	25.6	26.1	26.2	26.6	26.9

*Source: <http://schools.nyc.gov/NR/rdonlyres/A5AD79E1D5C44094A3604D5B4DF602A3/0/20102011UpdatedClassSizeReport.pdf>. This data reflects a citywide average.

The full class size report can be found on the Department of Education's website at <http://schools.nyc.gov/AboutUs/data/classsize/classsize.htm>. It presents report data broken down by school, district, borough, and citywide.