



Finance Division The Council of the City of New York

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Report to the Committees on Finance and Education
on the Fiscal Year 2016 Executive Budget and the Proposed Amendment to the Five-Year
Capital Plan for Fiscal 2015-2019 for the

Department of Education – School Construction Authority

May 28, 2015

Capital Budget Summary

- **Ten-Year Capital Strategy:** The Department of Education's (DOE or Department) Ten-Year Capital Strategy for Fiscal 2015-2025 totals approximately \$83.8 billion.
- **Capital Commitment Plan for 2015-2019:** The City's Capital Commitment Plan includes \$13.7 billion in Fiscal 2015-2019 for the Department of Education.
- **2015-2019 Capital Plan:** The Proposed Amendment to the Five-Year Capital Plan for Fiscal 2015-2019 totals \$13.5 billion. The Proposed Amendment is broken down into three main categories: Capacity, Capital Investment, and Mandated Programs.
 - A total of \$4.81 billion is for Capacity, which includes four following components:
 - \$3.45 billion for New Capacity, adding more than 32,600 new seats in an estimated 63 projects;
 - \$520 million for Pre-Kindergarten Initiative, which will increase pre-kindergarten seat capacity by more than 6,800;
 - \$490 million for Class Size Reduction, proposing an additional 4,900 new seats; and
 - \$350 million for Facility Replacement Program, providing funding for replacing some facilities whose leases will expire during this Plan.
 - A total of \$4.96 billion is for Capital Investment, which consist of two main categories:
 - \$3.31 billion for the Capital Improvement Program (CIP), which includes exterior and interior building upgrades and other necessary capital repairs to DOE buildings; and
 - \$1.34 billion for School Enhancement Projects, designed to enhance the educational opportunities for New York City children. This category includes

funding to support technology enhancements and realignment of existing facilities. Also included in this category are bathroom upgrades, physical fitness projects, science labs, accessibility and other necessary improvements.

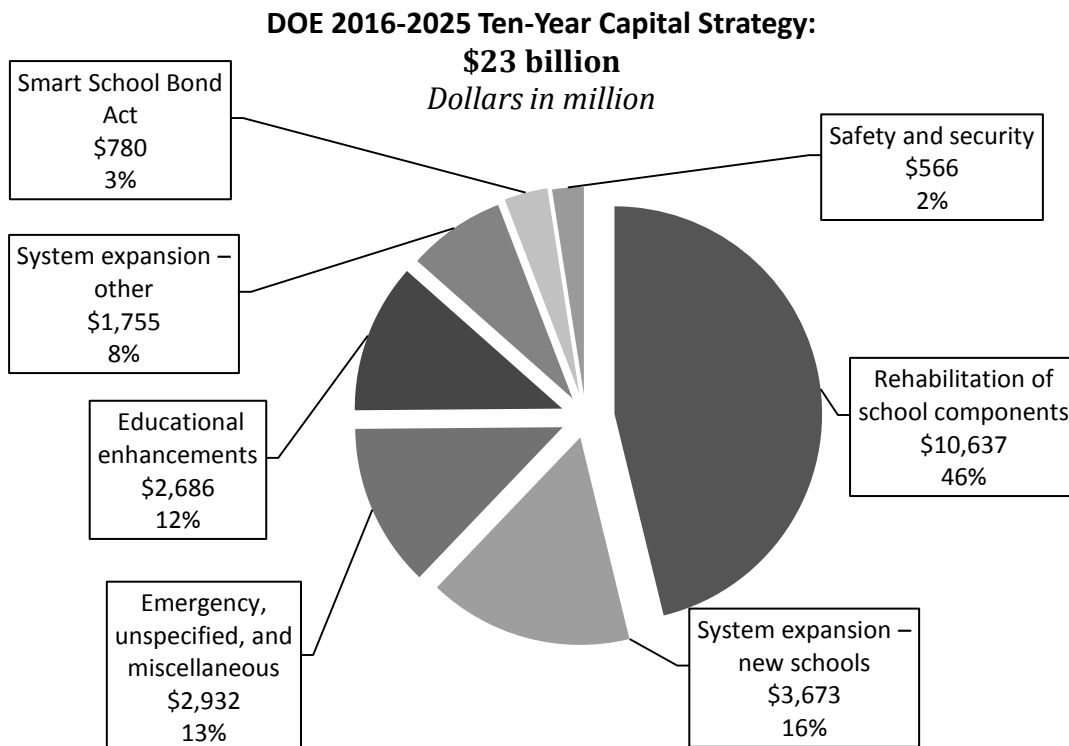
- A total of \$3.69 billion is for Mandated Programs. Funding is provided in order to meet requirements by local law, City agency mandates and other requirements such as remediation and building code compliance projects, insurance, and emergencies.

The DOE’s Capital Program is described in its Fiscal 2015-2019 Five-Year Capital Plan, which is prepared by the School Construction Authority (SCA). This report presents a review of the DOE’s Proposed Amendment to the Five-Year Plan following a review of the DOE’s Ten-Year Capital Strategy and its Fiscal 2016 Executive Capital Commitment Plan. The DOE’s expense budget is reviewed in a separate report to the Committees. For additional information in the DOE’s capital program and expense budget, please refer to the Fiscal 2016 Preliminary Budget Report for the DOE <http://council.nyc.gov/html/budget/2016/Pre/doe.pdf> and for the SCA <http://council.nyc.gov/html/budget/2016/Pre/doesca.pdf>.

Ten-Year Capital Strategy and Commitment Plan

The Executive Ten-Year Capital Strategy

The City’s Executive Ten-Year Capital Strategy totals \$83.8 billion (all funds), an increase of \$16.1 billion or 23.8 percent from the Preliminary Ten-Year Capital Strategy total of \$67.7 billion. The DOE’s Executive Ten-Year Capital Strategy for Fiscal 2016-2025 totals approximately \$23.03 billion, a decrease of almost \$2 billion from the Preliminary Ten-Year Capital Strategy total of \$24.9 billion. The DOE’s Executive Ten-Year Capital Strategy funding of \$23.03 billion is distributed across the following broad categories:



The decrease of nearly \$2 billion in the DOE's Ten-Year Capital Strategy funding is mostly in the categories of system expansion – new schools and system expansion – other.

The Executive Budget Capital Commitment Plan

The Fiscal 2016 Executive Budget Capital Commitment Plan includes \$13.7 billion in Fiscal 2015-2019 for the Department of Education. This represents approximately 23.9 percent of the City's total \$57.4 billion Executive Commitment Plan for Fiscal 2015-2019. The DOE's Executive Commitment Plan for Fiscal 2015-2019 is less than one percent, or only \$114 million greater than the Preliminary Commitment Plan of \$13.6 billion.

Comparison of the Plans

The Department of Education is required by State law to prepare a Five-Year Capital Plan outlining its infrastructure needs, planned capital projects and funding sources. The School Construction Authority (SCA or the Authority) serves as the Department's capital planning and construction agent. Fiscal 2015 is the first year of the current Five-Year Plan, which was approved by the Council last June (Adopted Plan).

Based on a June 25, 2014 Memorandum of Understanding between the City Council and the Administration, the School Construction Authority (SCA) is required to submit an annual amendment to the Capital Plan (Proposed Amendment) to the Council no later than March 1st of each year. This year the SCA did not comply with the terms of the agreement and released the Proposed Amendment two months later, on May 7th. The delayed release interfered with the Council's review of the budget by making it impossible for the Council to consider the Proposed Amendment through the Committee on Education's hearing on the Fiscal 2016 Preliminary Budget.

The Department's Five-Year Plan provides details that the Department's Capital Commitment Plan does not. The Commitment Plan includes only 23 budget lines for the Department's \$13.5 billion capital program. The City gives the SCA authority to carry out the capital projects identified in the Five-Year Plan through approval of large lump-sum commitments. The Commitment Plan is useful only insofar as it shows the very broad categories of planned commitments and proposed funding levels. In Table 1, the Ten-Year Strategy and Executive Capital Commitment Plan show the capital funding projections for the DOE, which guides the funding levels for the Five-Year Capital Plan. As shown in the table below, the proposed levels of funding in the Five-Year Capital Plan do not directly match the Capital Commitment Plan. Although the Ten-Year Strategy does not include an estimate for Fiscal 2015, based on the funding level in Fiscal 2016-2019 and the projections of the Fiscal 2015-2019 Executive Capital Commitment Plan, it is reasonable to assume that there will be enough funding to meet the Five-Year Plan's \$13.5 billion total funding need.

Table 1 – Executive Capital Commitment Plan, Ten-Year Strategy, and Five-Year Capital Plan*Dollars in Thousands*

| | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | TOTAL FY 2015-2019 |
|---|-------------|-------------|-------------|-------------|-------------|-----------------------|
| Five-Year Capital Plan for FY 2015-2019 (May 2015) | \$3,063,250 | \$2,600,500 | \$2,600,000 | \$2,600,000 | \$2,600,000 | \$13,463,750 |
| Ten-Year Capital Strategy | N/A | \$2,782,590 | \$2,600,000 | \$2,647,000 | \$2,600,000 | \$10,629,590 |
| Executive Capital Commitment Plan for FY 2015-2019 | \$3,100,498 | \$2,782,590 | \$2,600,000 | \$2,647,000 | \$2,600,000 | \$13,730,088 |

Proposed Amendment Changes to the Five-Year Capital Plan

The Proposed Amendment totals \$13.5 billion, and is broken down into three main categories: Capacity, funded at \$4.8 billion; Capital Investment, totaling \$4.9 billion; and Mandated Programs, totaling \$3.7 billion. The Capacity category includes all projects that will result in increased seating capacity within the system, the Capital Investment category covers all other capital projects in school buildings, and the Mandated Programs category includes work required by law and costs associated with DOE's construction program such as insurance and wrap-up costs. The major changes introduced in the Proposed Amendment are discussed below. Table 2 shows the proposed funding changes by category.

Table 2 - Variance Detail - Adopted Plan to Proposed Amendment*Dollars in Millions*

| | Adopted Plan | Proposed Amendment | Change* |
|--|-----------------|--------------------|----------------|
| Capacity | | | |
| New Capacity | \$3,301 | \$3,450 | \$149 |
| Pre-Kindergarten Initiative | 210 | 520 | 310 |
| Class Size Reduction Program | 490 | 490 | 0 |
| Facility Replacement Program | 400 | 350 | (50) |
| Capacity Total | \$4,401 | \$4,810 | \$409 |
| Capital Investment | | | |
| Capital Improvement Program | 3,334 | 3,307 | (27) |
| School Enhancement Projects | 1,610 | 1,336 | (274) |
| Capital Investment Total | \$4,944 | \$4,643 | (\$301) |
| Mandated Programs | \$3,455 | \$3,693 | \$238 |
| Reso-A: City Council, Borough President, and Mayor/Council | 0 | 317 | 317 |
| Grand Total | \$12,800 | \$13,463 | \$663 |

*The change is between Adopted 2015-2019 Capital Plan and Proposed Amendment

The Proposed Amendment would increase the Five-Year Capital Plan by \$663 million or less than one percent when compared to the Adopted Plan. The Adopted Plan was originally funded at \$12.8 billion and would grow to \$13.5 billion with the Amendment. Funding totaling \$317 million added by the City Council and Borough Presidents in the Fiscal 2015 Adopted Capital

Budget is recognized in the Proposed Amendment. Funding for Capacity would grow by \$409 million and funding for Mandated Programs would increase by \$238 million. These increases are offset by a \$301 million decline in the Capital Investment category.

Highlights of the Proposed Amendment to the 2015-2019 Five-Year Capital Plan

Pre-Kindergarten Expansion

The Proposed Amendment adds \$310 million to the Pre-Kindergarten (Pre-K) Initiative, bringing the total funding level to \$520 million. This funding will allow the SCA to add pre-K classrooms, increasing seat capacity by more than 6,800 in new buildings that are being constructed for elementary school use, as well as in leased space for pre-K centers. The Proposed Amendment identifies 55 sites with a forecast capacity of 6,814 seats. The majority of the 55 pre-K sites are leased. Funding for this program is, in part, contingent upon revenue from the Smart Schools Bond Act.

Funding level for Capital Investment Category

The Capital Investment category consists of two sub-categories: the Capital Improvement Program and School Enhancement Projects. The category includes a wide range of construction projects, building repairs, system replacements, and facility and technology enhancements. The funding level for Capital Investment decreased by \$301 million, \$274 million of which is a decrease in School Enhancement Projects that provide enhancements to existing facilities to support modern instructional needs. The \$274 million decrease is in facility restructuring projects and in physical fitness, library, and auditorium upgrades.

Smart Schools Bond Act

The Proposed Amendment includes \$783 million that are contingent upon the Smart Schools Bond Act, which was brought before voters in November 2014 and passed. The Smart Schools Review Board will start receiving funding applications for projects in June 2015. The DOE may be able to use the additional funds for technology in schools, as well as increasing pre-kindergarten capacity. The funds would be available beginning in Fiscal 2016, the second year of the Fiscal 2015-2019 Five-Year Capital Plan.

Proposed Amendment to 2015-2019 Five Year Capital Plan

The Proposed Amendment has three main categories: Capacity, Capital Investment, and Mandated Programs. All three categories are discussed below in greater detail.

Capacity

The Proposed Amendment includes \$4.8 billion for capacity, which is 35.5 percent of the entire \$13.5 billion proposal. In the Amendment, the funding for Capacity Projects increased by \$409 million when compared to the Adopted Plan. Capacity is broken down into four sub-categories: New Capacity, the Pre-Kindergarten Initiative, the Class Size Reduction Program, and the Facility Replacement Program. Table 3 below provides a breakdown by the sub-category.

Table 3 – Total Capacity in Proposed May Amendment

| Program | Proposed Amendment funding (in million) | Seats for Construction & Design | Seats for Design only | Total Number of Seats |
|------------------------------|--|--|------------------------------|------------------------------|
| New Capacity Program | \$3,450 | 31,823 | 806 | 32,629 |
| Pre-Kindergarten Initiative | 520 | 6,814 | - | 6,814 |
| Class Size Reduction Program | 490 | 4,900 | - | 4,900 |
| Total New Capacity | \$4,460 | 43,537 | 806 | 44,343 |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

New Capacity: \$3.45 billion

The Proposed Amendment's New Capacity program totals \$3.45 billion for the design and construction of 31,823 seats and the design of an additional 806 seats. The Proposed Amendment provides an additional \$151 million for the New Capacity Program. Appendix A shows the breakdown of these seats by school district and sub-district. Only those districts and sub-districts where there is an identified need for capacity are included in the table.

In the Fiscal 2016 Preliminary Budget Response, the City Council called on the Administration to fund enough school capacity projects to meet the identified 49,257 seat need. The Adopted Plan includes only enough funding to create 31,823 seats, leaving 16,616 unfunded seats. The Council recommended a funding increase of almost \$1.7 billion for new seats, which was not addressed by the Administration. The Proposed Amendment increases the projected seat need creating a seat gap of 16,628. The DOE's inability to meet capacity needs of 16,628 seats in Proposed Amendment will result in persistent overutilization and overcrowding in many school buildings. The lack of capacity has also led to large class sizes. Studies show that large class sizes are negatively correlated with student academic performance. The City Council is concerned that of the additional \$16.1 billion in the City's Executive Ten-Year Capital Strategy none were appropriated to any of the DOE's capacity needs which seem not to be a priority for the Administration.

Pre-Kindergarten Initiative: \$520 million

In the Proposed Amendment, \$310 million from Facility Restructuring is transferred to the Pre-Kindergarten initiative, bringing the total funding level to \$520 million. A total of \$520 million would allow the SCA to add pre-K classrooms, increase seat capacity by more than 6,800 seats in new buildings being constructed for elementary school use, as well as leased space for pre-K centers. The Proposed Amendment identifies 55 projects with a capacity of 6,814 seats. Of the 55 sites, six are being constructed in Manhattan, seven in the Bronx, 24 in Brooklyn, 15 in Queens, and three in Staten Island. However, this number may change as additional sites are identified. Of the \$520 million, \$296.38 million is allocated in Fiscal 2015, \$206.84 million in Fiscal 2016, \$15.77 million in Fiscal 2017, and \$1 million in Fiscal 2018.

Class Size Reduction Program: \$490 million

The Class Size Reduction Program includes \$490 million to create an additional 4,900 seats targeted specifically to reduce class sizes. An analysis is underway to determine the best criteria to use to distribute the funds. No projects associated with this funding have been identified. Capacity added through this initiative would not count toward fulfilling the citywide need of adding 49,257 new seats.

Facility Replacement Program: \$350 million

Funding in the Facility Replacement section of the Capacity category is intended for the replacement of school buildings whose leases will expire during this five-year plan and for 3,500 seats that otherwise become unavailable. The replacement site could be another lease or a newly constructed building, depending upon what’s available. The Proposed Amendment provides \$350 million for the replacement of 4,000 seats over the five-year period, but does not identify any projects. Since no leases have expired during the first year of the Plan and the DOE has not identified any leases that will, it is unlikely that this \$350 million allocation will be fully expended. However, there was a \$50 million decrease as compared to the Adopted Plan, which was transferred to upgrade student bathrooms.

Capital Investment

Funding for the Capital Investment category totals \$4.96 billion in the Proposed Amendment, accounting for almost 37 percent of the \$13.5 billion proposal. Capital investment projects are enhancements and repairs to existing facilities that improve the quality and infrastructure of the buildings and property, and maintain a state of good repair. Capital Investment is comprised of the Capital Improvement Program and School Enhancement Projects.

Capital Improvement Program: \$3.31 billion

The Proposed Amendment decreases the funding level for the Capital Improvement Program (CIP) by \$27 million, bringing the total down to \$3.31 billion. The program includes all interior and exterior upgrades to the DOE building stock of approximately 1,300 buildings, with work such as building repairs, system replacements, and reconfiguration of existing school buildings. An expanded list of CIP categories and changes in the Proposed Amendment are presented in Table 4 and discussed in further detail below.

Table 4 – Capital Improvement Program

Dollars in Millions

| Program | Adopted Plan | Proposed Amendment | Increase (decrease) |
|--|---------------------|---------------------------|----------------------------|
| Exterior | \$1,776 | \$1,860 | \$84 |
| Interior | \$845 | 758 | (87) |
| TCU Removal and Playground Redevelopment | \$480 | 480 | 0 |
| Athletic Field Upgrades | \$133 | 125 | (8) |
| Other | \$100 | 84 | (16) |
| TOTAL | \$3,334 | \$3,307 | (\$27) |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

- **Exterior Projects: \$1.86 billion**

Major building exterior projects include roofs, parapets, windows, and masonry. Much of the capital work on buildings’ exteriors is performed to make buildings watertight. In the Proposed Amendment, there is an \$84 million increase when compared to the Adopted Plan. Most of the increase is for the roofs, exterior masonry, and parapets. The funding for exterior components is summarized below.

Table 5 - Exterior Programs Overview*Dollars in Millions*

| Program | Adopted Plan | Proposed Amendment | Increase (decrease) |
|-----------------------------------|---------------------|---------------------------|----------------------------|
| Flood Elimination | \$215 | \$219 | \$4 |
| Reinforcing Support Elements | 15 | 21 | 7 |
| Reinforcing Cinder Concrete Slabs | 50 | 32 | (17) |
| Roofs | 240 | 286 | 46 |
| Parapets | 325 | 389 | 64 |
| Exterior Masonry | 641 | 690 | 49 |
| Windows | 291 | 223 | (69) |
| TOTAL | \$1,776 | \$1,860 | (\$84) |

*Source: NYC Department of Education, FY 2015 – 2019 Five Year Capital Plan Proposed Amendment, May 2015

- **Interior Projects: \$758 million**

Interior improvements include capital work identified by the Building Conditions Assessment Survey (BCAS), work required to fulfill educational needs, and work funded under PlaNYC initiatives. The Proposed Amendment shows a decrease of \$87 million in Interior Projects as compared to the Adopted Plan. The decrease is primarily in the Electrical Systems, Low-Voltage Electrical System, and Interior Spaces categories. Table 6 shows the details of the Interior Projects categories.

Table 6 - Interior Programs Overview*Dollars in Millions*

| Program | Adopted Plan | Proposed Amendment | Increase (decrease) |
|---|---------------------|---------------------------|----------------------------|
| Low-Voltage Electrical System | \$241 | \$224 | (\$17) |
| Interior Spaces | 43 | 29 | (15) |
| Cafeteria/Multipurpose Room (excludes SchoolFood's Initiative) | 40 | 32 | (8) |
| Climate Control (excludes Mandated Program) | 33 | 30 | (3) |
| Air Conditioning Retrofit | 1 | 8 | 7 |
| Boiler Conversions (excludes Mandated Program) | 25 | 30 | 6 |
| Elevators & Escalators | 30 | 19 | (11) |
| Floors | 27 | 17 | (11) |
| Electrical Systems (excludes projects under Facility Restructuring) | 118 | 77 | (41) |
| Toilets-Staff | 1 | 0 | (1) |
| Heating Plant Upgrade | 262 | 253 | (10) |
| Domestic Piping (non-mandated projects) | 11 | 28 | 17 |
| Safety Systems | 12 | 12 | 0 |
| TOTAL | \$845 | \$758 | (\$87) |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

- **Transportable Classroom Unit Removal: \$480 million**

Transportable Classroom Units (TCUs) are placed on school grounds to serve as classrooms. They are temporary solutions to relieve overcrowding; however some of these “temporary” structures have been in use for many years because capacity needs have not been met by the Capital Plan. The Proposed Amendment allocates \$480 million for the removal of all units. However, the removal projects depend on capacity constraints in each school and the

desires of the local school community. Since the Adopted Plan, 50 TCUs have been removed and 108 have been identified for removal. Of the 50 removed, 17 units were removed in the Bronx, 16 in Brooklyn, and 17 in Queens. Appendix B provides the list of the schools where TCUs have been removed and the list of TCUs that with an identified TCU removal plan. Although the Proposed Amendment indicates that removal plans have been identified, it neither describes any of the plans nor provides the removal schedule.

- **Athletic Field Upgrades: \$125.0 million**

The Proposed Amendment reflects a decrease of \$7.7 million for athletic field upgrades. The SCA is currently evaluating the condition of all existing athletic fields and will make upgrades in order to expand physical fitness opportunities in schools. The condition of athletic fields has been of significant concern of the Council, and many Council Members have contributed discretionary funds for such projects in past years.

The CIP Projects are selected for the plan based on the level of need for repair. The need for repair is determined by the Building Conditions Assessment Survey (BCAS), a survey mandated by the New York State Education Department that requires visual inspections of every school to assess the building's physical condition. The BCAS gives every building component a rating of 1 to 5. Nearly half of all school buildings are rated in fair condition. At times, projects to improve building conditions rated as fair may be addressed, but generally this occurs when they are included in a larger project. As building conditions worsen, they usually become more expensive to fix. Additional funding to address CIP projects before they reach poor condition may result in long-term cost-savings.

School Enhancement Projects: \$1.34 billion

School Enhancement Projects include Facility Enhancements (\$686 million) and Technology Enhancements (\$650 million). These projects are upgrades to instructional spaces in existing buildings.

- **Facility Enhancements : \$686 million**

The Proposed Amendment reflects a decrease of \$271 million for facility enhancement which includes funding for adjustments that enable changes to instructional offerings in buildings. The major decrease is in Facility Restructuring projects and in physical fitness, library, and auditorium upgrades. In the Proposed Amendment, \$310 million from Facility Restructuring is moved to the Pre-K initiative in the Capacity category. As seen in Table 7, the Facility Enhancement sub-category includes facility restructuring, safety and security systems, accessibility, and upgrades to science labs, libraries, auditoriums, bathrooms, and physical fitness facilities.

Table 7 – Facility Enhancements*Dollars in Millions*

| Program | Adopted Plan | Proposed Amendment | Increase (decrease) |
|------------------------------------|---------------------|---------------------------|----------------------------|
| Facility Restructuring | \$525 | \$215 | (\$310) |
| Safety and Security | 100 | 100 | 0 |
| Middle School Science Lab Upgrades | 50 | 50 | 0 |
| Accessibility | 100 | 100 | 0 |
| Physical Fitness Upgrades | 46 | 49 | (4) |
| Library Upgrades | 42 | 35 | (7) |
| Auditorium Upgrades | 44 | 37 | (8) |
| Bathroom Upgrades | 50 | 100 | 50 |
| TOTAL | \$957 | \$686 | (\$271) |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

Of the \$686 million for facility enhancements, \$215 million is dedicated to facility restructuring. This funding will cover the following restructuring:

- Conversion of unused shops/extra-large classrooms to create more capacity;
- electrical upgrades to school buildings experiencing large increases in utilization rates that tax their electrical systems;
- renovation of cafeterias that will support SchoolFood’s mission; and
- creation of community schools features in existing schools in support of the Mayoral initiative.

The Proposed Amendment provides \$100 million to Safety Enhancement Program. Within this program, DOE plans to continue the implementation of Internet Protocol Digital Video Surveillance (IPDVS) throughout the Capital Plan period. As of October 15, 2014, IPDVS have been successfully implemented in 521 buildings serving 887 schools, with a total of 23,055 cameras online. In addition, the DOE’s Expense Budget has \$750,000 in Fiscal 2015 and in the outyears for IPDVS security cameras in schools to cover the aspects of the project that are not capital eligible.

As compared to the Adopted Plan, the Amendment reflects the City Council’s student bathroom initiative that provides an additional \$50 million for bathroom upgrades in schools, an increase of 50 percent. Dilapidated bathrooms, especially in older school buildings, have been a concern of the City Council for years. Upgrading bathrooms can be expensive, in part because of code compliance mandates. In response, the SCA transferred funding (\$50 million) from the Facility Replacement Program. The SCA will implement a new pilot program with additional funding to improve bathroom conditions at lower costs. During the Preliminary Budget Hearing in March 2015, DOE testified that the Department received from the Department of Environmental Protection (DEP) Capital Budget \$45 million to upgrade fixtures and urinals in 427 schools’ bathrooms.

- **Technology Enhancements: \$650 million**

Improving technology in schools is a significant focus of the current Capital Plan, which includes a funding level of \$650 million for technology enhancements and was not changed in the Proposed Amendment. As a result of prior plan projects, all DOE school buildings currently have broadband connectivity and wireless access. Funding in the Fiscal 2015-2019 Capital Plan would be used to sustain high bandwidth connectivity and increase the

capacity and ability of each classroom to support extensive use of student-centered digital resources. Table 8 shows the funding allocation for each program under Technology Enhancements.

| Enhancement | Proposed Amendment |
|---|---------------------------|
| Next Generation Voice and Data Upgrade | \$246,900 |
| Next Generation Access Points Upgrade | 101,800 |
| Next Generation School Data Wiring Upgrades | 46,800 |
| School Electrification Upgrades | 64,600 |
| Ancillary Technology Facilities Upgrade | 44,500 |
| Non-Infrastructure Projects | 145,400 |
| TOTAL | \$650,000 |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

Mandated Programs

Funding for the Mandated Programs totals \$3.69 billion in the Proposed Amendment. Mandated Programs is a category that includes funding for projects required by local law or City agency mandates, completing the BCAS, emergency lighting, code compliance, prior plan completion costs, and insurance. The Proposed Amendment provides an increase of \$237.7 million when compared to Adopted Plan. Most of the increase is in wrap up insurance, prior plan completion, and building condition survey categories. Sub-programs funded within Mandated Programs are shown in Table 9. Among them:

- Wrap Up Insurance includes funding for the insurance coverage for the SCA, its contractors, and subcontractors.
- Boiler Conversions and Associated Climate Control covers the conversion of boilers from using the dirtiest and polluting grades of heating fuel, known as residual oil Number 4 or Number 6, to using one of the cleanest, Number 2 oil.
- The Building Conditions Surveys program includes funding for the completion of the annual facility inspection surveys and an extensive BCAS every year.
- Prior Plan Completion includes funds for projects still in progress from the Fiscal 2010-2014 Capital Plan, where costs have exceeded the project budget funded in the Fiscal 2010-2014 Plan.
- The Emergency, Unspecified, and Miscellaneous category is a catch-all category that allows the SCA to respond to any unforeseen needs and emergencies that arise during the course of executing its capital plan.

Table 9 - Mandated Programs*Dollars in Millions*

| Program | Adopted Plan | Proposed Amendment | Increase (decrease) |
|---|---------------------|---------------------------|----------------------------|
| Lighting Replacements | \$480 | \$480 | \$0 |
| Boiler Conversions & Associated Climate Control | 750 | 750 | 0 |
| Asbestos Remediation | 175 | 175 | 0 |
| Lead Paint Removal | 15 | 15 | 0 |
| Emergency Lighting | 50 | 50 | 0 |
| Code Compliance | 150 | 150 | 0 |
| Building Condition Surveys | 75 | 90 | 15 |
| Wrap Up Insurance | 650 | 830 | 180 |
| Prior Plan Completion | 621 | 663 | 42 |
| Emergency, Unspecified, & Miscellaneous | 489 | 489 | 0 |
| TOTAL | \$3,455 | \$3,692 | \$237 |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, May 2015.

- **Lighting Replacement for PCB Remediation: \$480 million**

The Proposed Amendment includes \$480 million to replace all polychlorinated biphenyl-containing light fixtures from public school buildings with energy efficient lighting. The funds would be allocated to the remaining 370 buildings that were not funded in the previous Fiscal 2010-2014 Capital Plan.

Within the current Plan, the final 370 lighting replacement projects, out of 782, are funded. Funding for lighting replacements would also be used to investigate and replace, if necessary, older, high intensity discharge (HID) lighting in roughly 180 school buildings.

In addition, there are some aspects of the PCB Removal Project that are not capital eligible. The DOE covers that with expense budget funding, which totals \$6 million for Fiscal 2016 in City funds.

- **Boiler Conversions: \$750 million**

The Proposed Amendment allows the DOE to continue the allocation of \$750 million to convert boilers at approximately 125 of 380 buildings currently using Number 4 oil. Eliminating the use of heavy and non-environmentally friendly oils (Number 4) and transitioning to cleaner fuel will comply with a local mandate to end the use of Number 4 oil by 2030.

- **Wrap-Up Insurance: \$830 million**

As previously discussed, the SCA has experienced increasing insurance costs year after year. The SCA uses an Owner Controlled Insurance Program (OCIP) to provide insurance coverage for the SCA, its contractors, and subcontractors. According to the SCA, the rising cost is largely associated with the State's Scaffold Law (New York State Labor Law sections 240/241), which essentially absolves workers of responsibility for their own accidents, leading to large settlements. In turn, insurance premiums have skyrocketed. Cost increased by \$180 million when compared to the Adopted Plan. The cost of this program ultimately depends on the loss experienced.

- **Prior Plan Completion Cost: \$663 million**

The Proposed Amendment provides an increase of \$41.6 million. Many projects funded in the Fiscal 2010-2015 Plan will still be in progress during the current Plan. The \$662.8 million for prior plan completion costs provides the funding to complete these projects after the end of the prior fiscal year.

Appendix A

New Capacity Projects Proposed in the Proposed Amendment for the Fiscal 2015-2019 Capital Plan

| | Sub-Districts | Total Identified Need (November 2013) | May 2015 Funded Need | Additional Need (Unfunded) | Number of Seats in Scope/Design |
|----|---|--|-----------------------------|-----------------------------------|--|
| 2 | Tribeca / Village | 1,970 | 1,928 | 42 | 1,016 |
| | Chelsea / Midtown West * | 1,262 | 1262 | 0 | 0 |
| | <i>Subtotal District 2</i> | 3,232 | 3,190 | 42 | 1,016 |
| 3 | Upper West Side | 692 | 692 | 0 | 692 |
| 7 | Concourse | 456 | 456 | 0 | 0 |
| 8 | Throgs Neck | 456 | 456 | 0 | 456 |
| 10 | Spuyten Duyvil / Riverdale/ Fieldston / North Riverdale | 456 | 456 | 0 | 0 |
| | Kingsbridge / Norwood / Bedford Park | 1,736 | 1,280 | 456 | 648 |
| | University Heights | 456 | 456 | 0 | 0 |
| | <i>Subtotal District 10</i> | 2,648 | 2,192 | 456 | 648 |
| 11 | Van Nest / Pelham Parkway | 640 | 640 | 0 | 0 |
| 12 | Tremont/West Farms | 912 | 912 | 0 | 0 |
| 13 | DUMBO/Navy Yard/Fort Greene | 1,090 | 1,090 | 0 | 333 |
| 14 | Williamsburg / Greenpoint | 991 | 991 | 0 | 0 |
| 15 | Sunset Park | 2,610 | 1,096 | 1,514 | 113 |
| | Park Slope | 1,096 | 640 | 456 | 0 |
| | Carroll Gardens /Gowanus /Red Hook | 640 | 456 | 184 | 436 |
| | <i>Subtotal District 15</i> | 4,346 | 2,192 | 2,154 | 549 |
| 20 | Owls Head Park / Bay Ridge | 1,213 | 1,213 | 0 | 757 |
| | Dyker Heights | 4,647 | 1,920 | 2,727 | 0 |
| | Borough Park/Kensington/ Bensonhurst | 1,514 | 912 | 602 | 0 |
| | <i>Subtotal District 20</i> | 7,374 | 4,045 | 3,329 | 757 |
| 21 | Gravesend | 456 | 456 | 0 | 0 |
| | Gravesend / Ocean Parkway | 456 | 456 | 0 | 456 |
| | <i>Subtotal District 21</i> | 912 | 912 | 0 | 456 |
| 22 | Mill Basin | 456 | 456 | 0 | 0 |
| 24 | North Corona / South Corona / Lefrak City/ Elmhurst | 4,007 | 2,376 | 1,631 | 628 |
| | Maspeth / South of Woodside | 1,853 | 912 | 941 | 728 |
| | Middle Village | 2,610 | 757 | 1,853 | 333 |
| | <i>Subtotal District 24</i> | 8,470 | 4,045 | 4,425 | 1,689 |
| 25 | Beechhurst / College Point / Whitestone | 1,514 | 640 | 874 | 0 |
| | Flushing / Murray Hill / Willets Point | 757 | 757 | 0 | 432 |
| | <i>Subtotal District 25</i> | 2,271 | 1,397 | 874 | 432 |
| 26 | Oakland Gardens/Fresh Meadows | 640 | 468 | 184 | 468 |
| | Bayside and Auburndale | 468 | 456 | 0 | 0 |
| | <i>Subtotal District 26</i> | 1,108 | 924 | 184 | 468 |

| | Sub-Districts | Total Identified Need (November 2013) | May 2015 Funded Need | Additional Need (Unfunded) | Number of Seats in Scope/Design |
|--|--|---------------------------------------|----------------------|----------------------------|---------------------------------|
| 27 | Howard Beach / Lindenwood | 640 | 516 | 124 | 516 |
| | Ozone Park / South Ozone Park / Richmond Hill/ Woodhaven | 1,096 | 456 | 640 | 0 |
| | <i>Subtotal District 27</i> | 1,736 | 972 | 764 | 516 |
| 28 | Rego Park / Forest Hills / Kew Gardens / Jamaica | 1,514 | 1,096 | 418 | 392 |
| 30 | East Elmhurst / Jackson Heights | 1,397 | 912 | 485 | 476 |
| | Woodside / Sunnyside | 456 | 0 | 456 | 0 |
| | Astoria/Steinway | 1,000 | 1,000 | 0 | 0 |
| | <i>Subtotal District 30</i> | 2,853 | 1,912 | 941 | 476 |
| 31 | West Shore | 456 | 456 | 0 | 0 |
| | North Shore | 640 | 456 | 184 | 224 |
| | <i>Subtotal District 31</i> | 1,096 | 912 | 184 | 224 |
| Subtotal Small PS And PS/IS Buildings | | 43,253 | 29,482 | 13,771 | 9,104 |
| | Queens | 5,604 | 2,802 | 2,802 | 1,716 |
| | Staten Island | 400 | 345 | 55 | 345 |
| Subtotal IS/HS | | 6,004 | 3,147 | 2,857 | 2,061 |
| TOTAL NUMBER OF SEATS | | 49,257 | 32,629 | 16,628 | 11,165 |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed 2015 Amendment, May 2015.

*806 seats identifies above are funded for design in this plan and construction in the next plan

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Most of the projects that are in the scope or design phase are already underway because they began under the Fiscal 2010-2014 Plan. These projects and their funding were rolled into the Fiscal 2015-2019 Plan. The “May 2015 Funded Need” column includes those seats that are newly proposed for the Fiscal 2015-2019 Plan, as well as 6,603 seats that were funded but construction did not begin in the prior Plan.

- The DOE has identified a total need for 49,257 new seats citywide. The Proposed Amendment includes funding for the construction of 31,823 new seats, leaving an unfunded or partially funded need of 16,628 seats. Of this unmet need, only 806 seats are funded for design-only in the Proposed Amendment.
- The design-only projects are in the Chelsea/Midtown West sub district of School District 2.
- Of the 32,629 new seats, 29,482 would be in 37 primary school buildings serving grades pre-K through 5th grade and 21 larger buildings that could be flexibly programmed for primary, middle, or pre-K through 8th grade schools, for a total of 58 school buildings. The 58 buildings would be dispersed in every borough, including five in Manhattan, nine in the Bronx, 20 in Brooklyn, 20 in Queens, and three in Staten Island.
- Five middle/high school buildings would comprise the remaining 3,147 seats. Four of these buildings would be in Queens and one would be an annex to Curtis High School in Staten Island.

Appendix B

The list of removed TCUs and the list of TCU that have identified removal plans.

| District | Building Name | Number of TCUS | Removal Status |
|---------------------------------|------------------------------------|----------------|-------------------------|
| 9 | I.S. 117 TRANSPORTABLE - X | 1 | REMOVED |
| 11 | P.S. 106 TRANSPORTABLE - X | 5 | REMOVED |
| 11 | P.S. 96 TRANSPORTABLE - X | 11 | REMOVED |
| 18 | P.S. 135 TRANSPORTABLE - K | 2 | REMOVED |
| 18 | P.S. 208 TRANSPORTABLE - K | 4 | REMOVED |
| 18 | P.S. 276 TRANSPORTABLE - K | 8 | REMOVED |
| 20 | P.S. 170 TRANSPORTABLE - K | 2 | REMOVED |
| 28 | P.S. 140 TRANSPORTABLE - Q | 4 | REMOVED |
| 28 | P.S. 55 TRANSPORTABLE - Q | 3 | REMOVED |
| 29 | P.S. 132 TRANSPORTABLE - Q | 2 | REMOVED |
| 29 | P.S. 176 TRANSPORTABLE - Q | 2 | REMOVED |
| 29 | P.S. 35 TRANSPORTABLE - Q | 2 | REMOVED |
| 30 | P.S. 70 TRANSPORTABLE - Q | 2 | REMOVED |
| 30 | P.S. 92 TRANSPORTABLE - Q | 2 | REMOVED |
| TOTAL # OF UNITS REMOVED | | 50 | |
| 6 | P.S. 5 TRANSPORTABLE - M | 2 | REMOVAL PLAN IDENTIFIED |
| 6 | P.S. 48 TRANSPORTABLE - M | 2 | REMOVAL PLAN IDENTIFIED |
| 8 | P.S. 14 TRANSPORTABLE - X | 2 | REMOVAL PLAN IDENTIFIED |
| 9 | P.S. 28 TRANSPORTABLE - X | 1 | REMOVAL PLAN IDENTIFIED |
| 10 | I.S.80/P.S. 280 TRANSPORTABLE - X | 4 | REMOVAL PLAN IDENTIFIED |
| 15 | P.S. 32 TRANSPORTABLE - K | 7 | REMOVAL PLAN IDENTIFIED |
| 18 | P.S. 219 TRANSPORTABLE - K | 1 | REMOVAL PLAN IDENTIFIED |
| 18 | P.S. 235 TRANSPORTABLE - K | 4 | REMOVAL PLAN IDENTIFIED |
| 18 | P.S. 268 TRANSPORTABLE - K | 1 | REMOVAL PLAN IDENTIFIED |
| 18 | P.S. 272 TRANSPORTABLE - K | 3 | REMOVAL PLAN IDENTIFIED |
| 19 | P.S. 290 TRANSPORTABLE - K | 1 | REMOVAL PLAN IDENTIFIED |
| 22 | P.S. 193 TRANSPORTABLE - K | 2 | REMOVAL PLAN IDENTIFIED |
| 22 | P.S. 194 TRANSPORTABLE - K | 1 | REMOVAL PLAN IDENTIFIED |
| 22 | P.S. 198 TRANSPORTABLE - K | 2 | REMOVAL PLAN IDENTIFIED |
| 24 | I.S. 125 TRANSPORTABLE - Q | 4 | REMOVAL PLAN IDENTIFIED |
| 24 | P.S. 19 TRANSPORTABLE - Q | 5 | REMOVAL PLAN IDENTIFIED |
| 24 | P.S. 24 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 25 | P.S. 163 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 27 | P.S. 123 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 27 | P.S. 43 TRANSPORTABLE - Q | 5 | REMOVAL PLAN IDENTIFIED |
| 27 | I.S. 226 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 28 | P.S. 121 TRANSPORTABLE - Q | 3 | REMOVAL PLAN IDENTIFIED |
| 28 | P.S. 30 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 28 | P.S. 40 TRANSPORTABLE - Q | 3 | REMOVAL PLAN IDENTIFIED |
| 29 | P.S. 38 TRANSPORTABLE - Q | 3 | REMOVAL PLAN IDENTIFIED |
| 29 | P.S. 52 TRANSPORTABLE - Q | 2 | REMOVAL PLAN IDENTIFIED |
| 30 | P.S. 11 TRANSPORTABLE - Q | 4 | REMOVAL PLAN IDENTIFIED |
| QHS | AUX. SERV. - JAM. LEARN CT TR - Q | 1 | REMOVAL PLAN IDENTIFIED |
| QHS | BAYSIDE HS TRANSPORTABLE - Q | 3 | REMOVAL PLAN IDENTIFIED |
| QHS | FRANCIS LEWIS HS TRANSPORTABLE - Q | 4 | REMOVAL PLAN IDENTIFIED |

| District | Building Name | Number of TCUS | Removal Status |
|---|-------------------------------------|-----------------------|-------------------------|
| QHS | RICHMOND HILL HS TRANSPORTABLE - Q | 11 | REMOVAL PLAN IDENTIFIED |
| QHS | WILLIAM BRYANT HS TRANSPORTABLE - Q | 3 | REMOVAL PLAN IDENTIFIED |
| RHS | CURTIS HS TRANSPORTABLE - R | 2 | REMOVAL PLAN IDENTIFIED |
| RHS | PORT RICHMOND TRANSPORTABLE - R | 2 | REMOVAL PLAN IDENTIFIED |
| XHS | CROTONA ACADEMY - BRONX | 8 | REMOVAL PLAN IDENTIFIED |
| XHS | J.F. KENNEDY HS TRANSPORTABLE - X | 2 | REMOVAL PLAN IDENTIFIED |
| TOTAL # OF UNITS IN PROCESS OF BEING REMOVED | | 108 | |
| TOTAL # OF UNITS REMOVED OR IN PROCES | | 158 | |

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed 2015 Amendment, May 2015.

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