

THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

Hon. Daniel Dromm
Chair, Committee on Education



Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report School Construction Authority

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Department of Education and School Construction Authority Overview

The Department of Education (DOE or the Department) provides primary and secondary education to over one million pre-kindergarten to grade 12 students in 32 school districts in over 1,800 schools and employs approximately 75,000 teachers. The School Construction Authority (SCA) is the DOE’s capital planning and construction agent; it is the one agency responsible for new school construction and major renovations to schools. The SCA is responsible for all capital planning, budgeting, design, and management of capital projects.

This report presents an analysis of the DOE’s Proposed Amendment to the Fiscal 2015-2019 Five-Year Capital Plan (the Proposed Amendment) and Fiscal 2017 Preliminary Capital Budget and reviews the SCA’s and relevant portions of the DOE’s Fiscal 2016 Preliminary Mayor’s Management Report (PMMR).

State law requires the DOE to produce a Five-Year Capital Plan (the Five-Year Plan), which is prepared by the SCA, in addition to the City’s Capital Plan and budget for the DOE. Like other City agencies, education projects carried out by the SCA are funded by appropriations made by the City, which must be approved by the Office of Management and Budget (OMB). These approvals are guided by the Plan.

The Five-Year Plan is organized into three main categories and various subcategories. The three major categories are Capacity, Capital Improvement, and Mandated Programs. As part of these categories, the Five-Year Plan also shows funding provided by the City Council and Borough Presidents. The narrative portion of the plan summarizes the Administration’s education priorities that relate to DOE’s physical plan.

The SCA coordinates the development of the Five-Year Plan, selects and acquires sites for new schools, leases buildings for schools, and supervises facility restructuring. Table 1 depicts information from the PMMR regarding the SCA staff and capital commitments. For Fiscal 2017, the SCA’s projected headcount is 800 employees and planned commitments total \$2.6 billion.

Resource Statistics	Actual			Sept. 2014 MMR Plan	Updated Plan	Plan	4-Month Actual	
	FY13	FY14	FY15	FY16	FY16*	FY17*	FY15	FY16
Personnel	661	671	687	715	800	800	669	691
Capital Commitments	\$2,298	\$2,087	\$2,884	\$2,783	\$3,136	\$2,624	\$746	\$746

*January 2016 Financial Plan, Fund 402

Source: Preliminary Mayor’s Management Report for Fiscal Year 2016

Memorandum of Understanding

Based on a June 2015 Memorandum of Understanding (MOU) between the City Council, the Department, and the Mayor, the DOE is required to submit an annual amendment to the Five-Year Plan to the Council no later than March 1st of each year. Traditionally, in advance of this deadline, the SCA has also submitted a proposed amendment in November in order to give the City Council and the Community Education Councils an opportunity to provide feedback and site suggestions for building projects. However, for the second year in a row, DOE has unilaterally decided to delay publication of its proposed amendment and suspend the longstanding practice of collaboration with the Council and other stakeholders in development of the annual amendment to the Five-Year Plan. This year, the proposed amendment was not released until January. Also, for the second year in the row, the DOE has delayed release of the annual amendment past the March 1st deadline agreed upon in the MOU. Last year, the amendment was not released until May 2015. Although the DOE assured the Council during the Fiscal 2016 budget hearings last year that the Fiscal 2017 amendment would be released on time, the March 1st deadline has already passed and the Council has received no communication as to when this plan will be released.

Preliminary Capital Budget and Commitment Plan

Like other City agencies, the DOE has a four-year Capital Commitment Plan that is funded by the City's Capital Budget. The Capital Commitment Plan shows capital funding projections for the DOE and guides the funding level for the Five-Year Plan. The Fiscal 2017 Preliminary Capital Commitment Plan includes \$11 billion in Fiscal 2016-2019 for the DOE (including City and Non-City funds). This represents approximately 19.2 percent of the City's total \$57.2 billion Preliminary Capital Commitment Plan for Fiscal 2016-2019.

Table 2 DOE Preliminary Capital Commitment Plan, Fiscal 2016-2019

Dollars in Thousands

	FY 2016	FY 2017	FY 2018	FY 2019	Total
City	\$2,797,430	\$2,429,000	\$1,999,170	\$2,420,000	\$9,645,600
Non-City	338,887	195,000	671,830	195,000	1,400,717
TOTAL	\$3,136,317	\$2,624,000	\$2,671,000	\$2,615,000	\$11,046,317

The Preliminary Capital Commitment Plan for DOE is identical to the Capital Commitment Plan that was released in September. Despite the Administration's proposal to increase the DOE's Five Year Plan by \$1.4 billion, the Mayor's Preliminary Capital Budget for Fiscal 2017 shows no increase. Also, it is important to note that the Five-Year Plan includes approximately \$783 million from the State's Smart Schools Bond Act, which was approved in November 2014. The Amendment does not indicate whether the DOE has been able to access any of this funding.

Overview of the Proposed Amendment to the Five-Year Plan

The Proposed Amendment to the Five-Year Plan that was released in January totals \$14.9 billion, \$1.4 billion or 10.3 percent more than the Adopted Plan of \$13.5 billion. These increases are largely due to increases in Capacity and Capital Investment. Additionally, the Proposed Amendment to the Five-Year Plan identifies City Council and Borough President

Reso-A funds totaling \$488 million, of which \$170 million were recognized in the Fiscal 2016 Adopted Budget. These actions increase Capacity Funding by \$820 million and Capital Investment by \$438 million. Mandated Programs grew slightly with an additional \$8 million, to a total of \$3.7 billion.

The Proposed Amendment is broken down into three main categories: Capacity, totaling \$5.6 billion; Capital Investment, totaling \$5.1 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. Mandated Programs provides funding in order to meet requirements by local law, City mandates, and other required elements. The major changes introduced in the January Amendment are discussed below.

Table 3 - Variance Detail - Current Plan to January 2016 Proposed Amendment				
<i>Dollars in Millions</i>				
	Current 2015- 2019 Capital Plan	January 2016 Proposed Amendment	Percent of Total	Change
Capacity				
New Capacity	\$3,450	\$4,407	26%	\$957
Pre-Kindergarten Initiative	520	670	2%	150
Class Size Reduction Program	490	490	4%	0
Facility Replacement Program	350	63	3%	(287)
Capacity Total	\$4,810	\$5,630	33%	\$820
Capital Investment				
Capital Improvement Program	\$3,308	\$3,677	25%	\$369
School Enhancement Projects	1336	1,405	12%	69
Capital Investment Total	\$4,644	\$5,082	37%	\$438
Mandated Programs	\$3,692	\$3,700	27%	\$8
Reso-A: City Council, Borough President, and Mayor/Council	\$318	\$488	2%	\$170
Grand Total (in Millions)	\$13,464	\$14,900	100%	\$1,436

The above table provides a summary of the proposed changes to the Five-Year Plan. Of the total \$1.4 billion increase, much of this additional funding would be allocated to school capacity projects and capital investment projects. They are discussed below:

- **Increased Capacity.** The Capacity program includes funding for the construction of 44,348 new school seats. The total number of new seats includes 42,602 seats that would be constructed in 76 buildings for elementary or middle school students. In addition to those new seats, there are also four projects that would add an additional 1,746 seats for high school students.
- **Pre-Kindergarten Expansion.** The Proposed Amendment adds \$150 million for the Pre-Kindergarten (pre-K) Initiative bringing the total funding level to \$670 million. This funding will allow the SCA to add pre-K classrooms, increase seat capacity by 7,640 in new buildings that are being constructed for elementary school use, and lease space for pre-K centers.

- **Capital Improvements.** The Proposed Amendment adds \$369 million, an increase of 25 percent in funding, for interior and exterior projects. These projects would include heating plant upgrades, exterior masonry, and flood elimination among others.
- **Facility Restructuring.** The Proposed Amendment also includes \$525 million for Facility Restructuring, a subcategory of School Enhancement Projects. In past years the focus of this program was to convert existing rooms to accommodate new uses and divide large school facilities for multiple purposes. Under the Proposed Amendment, however, the focus of the Facility Restructuring Program is to integrate additional pre-K seats into existing buildings to support the DOE's citywide full-day pre-K expansion. Funding for this program is, in part, contingent upon revenue from the Smart Schools Bond Act.

The actions identified in each of the three categories are described in greater detail below.

Capacity

The Proposed Amendment includes \$5.6 billion for capacity, which is 37.6 percent of the entire \$14.9 billion proposal. In the Proposed Amendment, the funding for Capacity increased by \$820 million as 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. After calls from education advocates and the City Council to revise the Enrollment, Capacity & Utilization Report, also known as the Blue Book, the Administration formed the Blue Book Working Group, comprised of education advocates and community members to propose revisions. Thanks to the group's work, the Administration has recognized a more realistic need for school seats. The Administration now recognizes a need of 82,811 seats compared to the previous number of 49,000. Table 4 below provides a breakdown of new seats by each program.

Program	Seats for Construction & Design	Seats for Design only	Total Number of Seats
New Capacity Program	44,348	2,641	46,941
Pre-Kindergarten Initiative	7,600	-	7,600
Class Size Reduction Program	4,900	-	4,900
Total New Capacity	56,848	2,641	59,441

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed Amendment, January 2016.

New Capacity. \$4.4 billion

The Proposed Amendment's New Capacity program totals \$4.4 billion, which is an increase of \$957 million in comparison to the 2015 Adopted Amendment. This additional funding is for the design and construction of 44,348 seats and the design of an additional 2,641 seats. This is an additional 11,800 funded seats compared to the adopted amendment. Table 5 on the next page 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.

Some of the projects that are in the scope or design phase are already underway because they began under the Fiscal 2010-2014 Five-Year Plan. These projects and their funding were rolled into the Fiscal 2015-2019 Five-Year Plan. The “January 2016 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 for which construction had not begun in the prior Five-Year Plan.

- The DOE has identified a total need for 82,811 new seats citywide. The Proposed Amendment includes funding for the construction of 44,348 new seats, leaving an unfunded need of 38,463 seats. Additionally, there are 12,777 seats currently in the scope or design process.
- Of the 44,348 new seats, 41,201 would be in 46 elementary buildings serving grades pre-K through five grade and 26 larger buildings that could be flexibly programmed for elementary schools, middle schools, or pre-K through eighth grade schools.
- Four middle/high school buildings would comprise the remaining 4,133 seats. Three of these buildings would be in Queens and one would be an annex to Curtis High School in Staten Island.

School District	Sub-Districts	Total Identified Need	January 2016 Funded Need	Additional Need (Unfunded)	Number of Seats in Scope/Design
2	Tribeca / Village	1,970	1,928	42	1,492
	Chelsea / Midtown West *	1,262	1,262	0	0
3	Upper West Side	692	692	0	692
7	Concourse	456	456	0	0
	Melrose	572	0	572	0
8	Soundview	572	0	572	0
	Throgs Neck	456	456	0	344
9	Highbridge South	572	0	572	0
10	Spuyten Duyvil / Riverdale/ Fieldston / North Riverdale	456	456	0	0
	Kingsbridge / Norwood / Bedford Park	3,384	2,104	1280	500
	Fordham/Belmont	572	0	572	0
	University Heights	1280	456	824	0
11	Woodlawn/Williamsbridge	572	0	572	0
	Van Nest / Pelham Parkway	1920	640	1280	0
12	Tremont/West Farms	1484	912	572	0
13	Park Slope/Prospect Heights	640	640	0	640
	DUMBO/Navy Yard/Fort Greene	2,777	1,953	824	333
14	Williamsburg / Greenpoint	1563	991	572	0
15	Sunset Park	2,610	1,096	1,514	113
	Park Slope	2,744	1464	1280	0
	Carroll Gardens /Gowanus /Red Hook	2192	1280	912	436

School District	Sub-Districts	Total Identified Need	January 2016 Funded Need	Additional Need (Unfunded)	Number of Seats in Scope/Design
19	Cypress Hill/East New York	1,000	1,000	0	0
20	Owls Head Park / Bay Ridge	3,337	2,037	1300	757
	Dyker Heights	4,647	1,920	2,727	0
	Borough Park/Kensington/ Bensonhurst	2,338	912	1426	0
21	Coney Island	476	0	476	0
	Gravesend	1504	456	1048	456
	Gravesend / Ocean Parkway	456	456	0	0
22	Flatlands/Midwood	476	0	476	0
	Mill Basin	824	456	368	0
24	North Corona / South Corona / Lefrak City/ Elmhurst	5,288	3,200	2,088	1871
	Maspeth / South of Woodside	1,853	912	941	728
	Glendale, Ridgewood	476	0	476	0
	Middle Village	1,786	757	1,029	333
25	Beechhurst / College Point / Whitestone	3,066	1464	1602	0
	Flushing / Murray Hill / Willets Point	2057	757	1300	600
26	Oakland Gardens/Fresh Meadows	1464	456	1008	0
	Bayside and Auburndale	1040	468	572	468
27	Howard Beach / Lindenwood	640	516	124	516
	Ozone Park / South Ozone Park / Richmond Hill/ Woodhaven	1,096	456	640	96
28	South Jamaica/ Rochdale/Kew Gardens	476	0	476	0
	Rego Park / Forest Hills / Kew Gardens / Jamaica	3,162	1,920	1242	850
30	East Elmhurst / Jackson Heights	1,397	912	485	476
	Woodside / Sunnyside	1550	824	726	0
	Long Island City/ Ravenswood	2028	1800	228	0
	Astoria/Steinway	1,000	1,000	0	0
31	West Shore	456	456	0	0
	New Dorp	476	0	476	0
	North Shore	2416	1280	1136	224
	Subtotal Small PS And PS/IS Buildings	75,531	41,201	34,330	11,925
	Queens	6,880	2,802	4,078	507
	Staten Island	400	345	55	345
	Subtotal IS/HS	7,280	3,147	4,133	852
	TOTAL NUMBER OF SEATS	82,811	44,348	38,463	12,777

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

*Continuation from previous page

The DOE's inability to meet capacity needs has resulted in persistent overutilization and overcrowding in many school buildings. Table 6 illustrates several performance statistics from the PMMR, including average class size, the percentage of schools that exceed capacity, and the number of new seats created.

Overutilization results in larger class sizes. Studies show that larger class sizes are negatively correlated with student academic performance. PMMR data shows that class sizes have remained high and have, in fact, increased every school year since the 2008-2009 school year.

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Average class size - Kindergarten	23.1	22.8	22.9	22.8	22.8	22.9	22.6
« - Grade 1	24.6	25.1	24.9	25.1	25.1	25	24.9
« - Grade 2	24.7	25.3	25.3	25.3	25.3	25.3	25.3
« - Grade 3	25.2	25.5	25.6	25.5	25.5	25.6	25.8
« - Grade 4	25.5	25.9	26.1	25.9	25.9	26.2	26.1
« - Grade 5	25.9	26	26	26	26	26	26.2
« - Grade 6	26.8	26.6	26.4	26.6	26.6	26.5	26.6
« - Grade 7	27.6	27.1	27.3	27.1	27.1	27.4	27.1
« - Grade 8	27.6	27.8	27.3	27.8	27.8	27.4	27.4
Schools that exceed capacity - Elementary schools (%)	32.00%	33.00%	65.00%	*	*	NA	NA
« - Middle schools (%)	13.00%	13.00%	24.50%	*	*	NA	NA
« - High schools (%)	33.00%	31.00%	48.70%	*	*	NA	NA
Students in schools that exceed capacity - Elementary/middle schools (%)	29.00%	31.00%	54.00%	*	*	NA	NA
« - High schools (%)	48.00%	44.00%	48.70%	*	*	NA	NA
Total new seats created	10,061	5,380	15,210	5,932	8,120	0	0

Source: Preliminary Mayor's Management Report for Fiscal Year 2016

While fiscal constraints prevent the Department from meeting capacity needs, several other factors contribute to the DOE's inability to relieve overcrowding in schools.

- **Siting Difficulties**

While the Administration has stated that there is sufficient funding available to construct the necessary number of seats, the DOE and the SCA have voiced as a problem the difficulty of finding building sites in areas where new capacity is needed. In some instances the DOE has not been able to secure sites for new schools in the sub-districts in which the need has been identified. Though sometimes re-zoning can resolve the issue, the SCA cannot construct new seats if there is no place to put them.

Pre-Kindergarten Initiative. \$670 million

In 2014, Mayor de Blasio made citywide expansion of full-day pre-K central to his education agenda. This year there are 71,337 children in the City's pre-k program. A total of \$670 million funds the creation of pre-K classrooms. The SCA plans to increase seat capacity by 7,643 in new buildings being constructed for elementary school use and in leased space for pre-K centers. The Proposed Amendment identifies 61 projects which

opened in 2015 or are expected to open by September 2017. Of the 61 sites, two are being constructed in Manhattan, nine are in the Bronx, 28 are in Brooklyn, 19 are in Queens, and three are in Staten Island, with almost all being in leased space. However, this number may change as additional sites are identified.

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. While the DOE and the SCA create seats in the New Capacity Program based on capacity needs in various neighborhoods, they look at the need to reduce class size in individual schools under the Class Size Reduction Program. Below is a chart that indicates the first three class size reduction projects, which are scheduled for Fiscal 2017. The SCA did not specify how many seats will be attached to these three projects or how much they will cost.

Fiscal 2017 Class Size Reduction Projects			
Borough	School District	Building Name	Address
Bronx	11	P.S. 19	4318 Katonah Avenue
Brooklyn	19	East New York Family Academy	2057 Linden Boulevard
Queens	29	P.S. 131	170-45 84th Avenue

Facility Replacement Program. \$62 million

The Facility Replacement Program allocates \$62 million to provide for the development of seats for schools that must be replaced. This amount is less than the allocation made in the 2016 Adopted Amendment by a large margin, \$288 million to be exact. The Department has substantially cut the funding available for replacement seats because few of DOE's leases are likely to turn over and require replacement.

Capital Investment

Funding for the Capital Investment category totals \$5.6 billion in the Proposed Amendment, accounting for 38 percent of the \$14.9 billion proposal. Capital Investment projects are enhancements and repairs to existing facilities that improve the quality and infrastructure of the buildings and property to maintain a state of good repair. Capital Investment is comprised of the Capital Improvement Program and School Enhancement Projects.

Capital Improvement Program. \$3.68 billion

The Proposed Amendment provides \$3.68 billion for the Capital Improvement Program (CIP). The program includes all interior and exterior upgrades to the DOE building stock of approximately 1,300 buildings, including work such as building repairs, system replacements, and reconfiguration of existing school buildings. It should be noted that, while the devastating effects of Superstorm Sandy continue to be felt throughout the City, State, and northeast region, the SCA has shared that the majority of its Sandy repair projects will be completed by Fiscal 2018. Unfortunately, the Proposed Amendment does

not identify the individual projects in the Five-Year Plan that are Sandy-related, nor does it identify how much federal funding is available.

Program	January 2016 Amendment	2015 Adopted Plan	Change
Flood Elimination	\$330,200	\$218,800	\$111,400
Reinforcing Support Elements	14,300	21,300	(7,000)
Reinforcing Cinder Concrete Slabs	17,900	32,400	(14,500)
Roofs	340,000	285,900	54,100
Parapets	339,100	389,100	(50,000)
Exterior Masonry	930,200	689,600	240,600
Windows	172,200	222,600	(50,400)
TOTAL	\$2,143,900	\$1,859,700	\$284,200

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed 2016 Amendment, January 2016.

- **Exterior Projects. \$2.14 billion**

The major components of the building exterior are roofs, parapets, windows, and masonry. Much of the capital work on buildings' exteriors is performed to make buildings watertight. Water infiltration is the single greatest cause of accelerated deterioration of existing facilities. The SCA prioritizes making every building watertight 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. In the Proposed Amendment, there is a \$284.2 million increase when compared to the Adopted Plan. Much of this funding can be attributed to necessary repairs for damage sustained during Superstorm Sandy. Although the funding is spread out across all major categories in the exterior program, the biggest needs in the Proposed Amendment were exterior masonry, roofing and flood elimination.

Program	January 2016 Amendment	2015 Adopted Plan	Change
Low-Voltage Electrical System	\$153,700	\$224,100	(\$70,400)
Interior Spaces	53,900	28,700	25,200
Cafeteria/Multipurpose Room (excludes SchoolFood's Initiative)	700	32,300	(31,600)
Climate Control (excludes Mandated Program)	77,400	29,800	47,600
Air Conditioning Retrofit	11,200	7,900	3,300
Boiler Conversions (excludes Mandated Program)	58,600	30,300	28,300
Elevators & Escalators	12,500	18,500	(6,000)
Floors	7,300	16,500	(9,200)
Electrical Systems (excludes projects under Facility Restructuring)	44,700	77,300	(32,600)
Toilets-Staff	100	0	100
Heating Plant Upgrade	429,400	252,600	176,800
Domestic Piping (non-mandated projects)	42,000	28,200	13,800
Safety Systems	6,100	11,800	(5,700)
TOTAL	\$897,600	\$758,000	\$139,600

Source: NYC Department of Education, FY 2015 – 2019 Five-Year Capital Plan Proposed 2016 Amendment, January 2016.

- **Interior Projects. \$897.6 million**

Interior improvements include capital work identified 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 buildings physical condition. These improvements include work required to fulfill educational needs and work funded under PlaNYC initiatives. Components of this program include electrical upgrades, low-voltage electrical systems, plumbing, safety systems, cafeterias, and bathrooms. Performing this work can be challenging and costly because it must often be scheduled in the summer, on weekends, and after normal school hours to ensure the safety of the students and school staff and to minimize disruptions during school hours. The Proposed Amendment shows an increase of more than \$139.6 million in Interior Projects as compared to the Adopted Plan. The increase is primarily in the heating plant upgrade, low-voltage electrical system, domestic piping, and boiler conversions categories. Table 9 on the previous page shows the details of the Interior Projects categories.

	# of TCU Units	TCU Capacity	TCU Enrollment	Enrollment Change from Prior Year
2005-06	368 *	15,477	10,215	-
2006-07	399	16,077	11,004	789
2007-08	402	14,063	10,929	(75)
2008-09	387	13,293	10,115	(814)
2009-10	373	12,773	8,819	(1,296)
2010-11	363	12,630	8,582	(237)
2011-12	357	12,370	8,264	(318)
2012-13	352	10,890	7,158	(1,106)
2013-14	317	10,543	6,935	(223)
2014-15	298	9,141	6,149	(1,009)

Source: Department of Education's report to the New York City Council pursuant to the requirements in Local Law 122 of 2005, December 2014.

- **Transportable Classroom Unit Removal. \$450 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 Five-Year Plan. The DOE’s 2015 Report on Temporary and Non-Standardized Classrooms summarized in Table 10 above, shows that the SCA has reduced the number of TCUs and TCU enrollment every school year since the 2007-2008 school year. However, in the 2014-2015 school year there were still 298 TCUs serving 6,149 students. It is important to note that the DOE’s TCU report does not count all students who attend class in a TCU. High school students and many District 75 students are not included. The Department maintains that it must continue to use the temporary structures for classrooms until it can build enough seats to meet capacity needs. The Proposed Amendment allocates \$450 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. According to the SCA, 70 TCUs have been

removed and 100 have been identified for removal. Of the 70 removed, 28 units were removed in Queens, 20 in Brooklyn, 18 in the Bronx, two in Manhattan, and two in Staten Island. Appendix A provides the list of the schools where TCUs have been removed and the list of TCUs that have been identified for removal plans.

- **Athletic Field Upgrades. \$125 million**

The Proposed Amendment reflects a commitment of \$125 million for athletic field upgrades. This is the same level of funding from the previous plan. 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 allocated discretionary funds for such projects in past years.

- **Capital Improvement Projects**

The CIP projects are selected for the plan based on the level of need for repair. The need for repair is determined by the BCAS. The BCAS gives every building component a rating of one to five. Most of the projects included in the Proposed Amendment are for the repair of poor building conditions or those rated level 5. In Table 11 below, data from the PMMR shows there has been no poor building conditions spanning from Fiscal 2012 to present because the CIP provides funds to fix such conditions.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Hazardous building violations total backlog	123	119	109	*	*	124	113
School building ratings - Good condition (%)	0.90%	0.60%	0.70%	↑	↑	NA	NA
« - Fair to good condition (%)	43.40%	43.80%	49.20%	↑	↑	NA	NA
« - Fair condition (%)	55.50%	55.60%	50.00%	*	*	NA	NA
« - Fair to poor condition (%)	0.30%	0.00%	0.10%	↓	↓	NA	NA
« - Poor condition (%)	0.00%	0.00%	0.00%	*	*	NA	NA

Source: Preliminary Mayor's Management Report for Fiscal Year 2016

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.

Table 12 on the next page shows the number of CIP projects completed on time and within budget. In Fiscal 2014, 100 percent of new seats were constructed on time, 72 percent of CIP projects were completed on time or early, and 83 percent of CIP projects were constructed within budget.

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
New schools and additions - construction funds committed as a percent of initial authorized budget (%)	95.40%	92.60%	92.90%	100.00%	100.00%	NA	NA
« - Scheduled new seats constructed on time (%)	100%	100%	100%	100%	100%	NA	NA
« - Capital improvement projects constructed on time or early (%)	69%	72%	72%	80%	80%	75%	74%
« - Capital improvement projects constructed within budget (%)	71%	80%	83%	80%	80%	88%	74%

Source: Preliminary Mayor's Management Report for Fiscal Year 2016

School Enhancement Projects. \$1.4 billion

School Enhancement Projects include Facility Enhancements (\$753.6 million) and Technology Enhancements (\$650 million). These projects are upgrades to instructional spaces in existing buildings.

- **Facility Enhancements. \$753.6 million**

The Proposed Amendment reflects an increase of \$67.6 million for facility enhancements which include funding for adjustments that enable changes to instructional offerings in buildings. The DOE targets funds to ensure existing space is aligned with the goals of meeting demand, improving learning conditions, using resources efficiently, and improving student achievement. As seen in Table 13, categories include facility restructuring, safety and security systems, accessibility, and upgrades to science laboratories, libraries, auditoriums, bathrooms, and physical fitness facilities.

Program	Current Plan	Proposed Amendment	Difference	Percent change
Facility Restructuring	\$215,000	\$362,400	\$147,400	68.60%
Safety and Security	100,000	100,000	0	0.00%
Science Lab Upgrades	50,000	50,000	0	0.00%
Accessibility	100,000	100,000	0	0.00%
Physical Fitness Upgrades	49,000	26,700	(22,300)	(45.50%)
Library Upgrades	35,300	500	(34,800)	(98.60%)
Auditorium Upgrades	36,700	14,000	(22,700)	(61.90%)
Bathroom Upgrades	100,000	100,000	0	0.00%
TOTAL	\$686,000	\$753,600	\$67,600	9.90%

Of the \$753.6 million for facility enhancements, \$362.4 million is dedicated to facility restructuring. A significant portion of funding for facility restructuring would be used to integrate additional pre-K seats into existing buildings, conversion of unused shops/extra-large classrooms to create more capacity, and programs to renovate cafeterias that will support the Office of School Food's mission to promote healthy and attractive food choices to students while serving students more quickly and efficiently.

The Proposed Amendment also includes \$50 million for middle school science labs. This funding aligns with the Chancellor's focus on middle schools.

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

Improving technology in schools is a significant focus of the current Five-Year Plan, which includes \$650 million for technology enhancements. As a result of prior plan projects, all DOE school buildings currently have broadband connectivity and wireless access. Funding in the Fiscal 2015-2019 Five-Year 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 14 shows the funding allocation for each program under Technology Enhancements.

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

Mandated Programs

Funding for the Mandated Programs totals \$3.7 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. Sub-programs funded within Mandated Programs are shown in Table 15 on the next page. Among them are:

- Wrap-Up Insurance which includes funding for the insurance coverage for the SCA, its contractors, and subcontractors;
- Boiler Conversions and Associated Climate Control covers the conversion of the boilers from using 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;
- Building Conditions Surveys which includes funding for the completion of the annual facility inspection surveys and an extensive BCAS every year;
- Prior Plan Completion which includes funds for projects still in progress from the Fiscal 2010-2014 Five-Year Plan, where costs have exceeded the project budget funded in the Fiscal 2010-2014 Five-Year Plan; and
- Emergency, Unspecified, and Miscellaneous which 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 15 - Mandated Programs Chart				
<i>Dollars in thousands</i>				
Remediation/Code Compliance Program				
Program/Need	Current Plan	Proposed Amendment	Difference	Percent Change
Asbestos abatement	\$175,000	\$179,800	\$4,800	2.70%
Lead abatement	15,000	11,200	(3,800)	(25.30%)
Emergency lighting	50,000	38,700	(11,300)	(22.60%)
Code compliance	150,300	125,600	(24,700)	(16.40%)
Remediation/Code Compliance Total	\$390,300	\$355,300	(\$35,000)	(9.00%)
Fixed Programs				
Program/Need	Current Plan	Proposed Amendment	Difference	Percent Change
Building Conditions Survey	\$90,000	\$86,400	(\$3,600)	(4.00%)
Wrap-up Insurance	830,000	831,700	1,700	0.20%
Prior Plan Completion Cost	662,800	661,600	(1,200)	(0.20%)
Emergency, Unspecified, and Misc.	488,900	495,700	6,800	1.40%
Fixed Program Total	\$2,071,700	\$2,075,400	\$3,700	0.20%

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

The Proposed Amendment includes \$480 million to replace all polychlorinated biphenyl-containing (PCB) 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 Five-Year Plan.

In order to address widespread concerns regarding the PCBs, a carcinogenic toxin that is found in older T-12 lighting ballasts, in December 2011, the Administration released a comprehensive, ten-year plan to improve energy efficiency in schools that includes PCB remediation via lighting replacement. On May 21, 2013, the City entered into an agreement to accelerate the original ten-year plan and replace the toxic light fixtures by December 31, 2016. 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 lighting in roughly 175 school buildings.

- **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 which are 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 mandate, which requires the elimination by 2030.

- **Wrap-Up Insurance. \$831.7 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 which caused the SCA's insurance premiums to "skyrocket." The cost is only slightly higher in the

Proposed Amendment than the previous Plan, however it increased by \$180 million as compared to the Fiscal 2016 Adopted Plan. The cost of this program ultimately depends on any loss experienced.

- **Prior Plan Completion Cost. \$661.6 million**

Many projects funded in the Fiscal 2010-2014 Five-Year Plan will still be in progress during the current Five-Year Plan. The \$661.6 million for prior plan completion costs provides the funding to complete these projects after the end of the prior fiscal year. Although construction contracts are obligated in the Fiscal 2010–2014 Five-Year Plan, other costs, such as furniture and equipment purchases, as well as construction change orders, may occur during the Fiscal 2015–2019 Five-Year Plan period. This category provides the funding to complete these projects after the end of Fiscal 2014. The Amendment does not identify which projects were initially funded in the 2010-2014 Five-Year Plan.

Appendix A

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

District	Building Name	Number of TCUS	Removal Status
6	P.S 5 TRANSPORTABLE – M	2	REMOVED
9	P.S 28 TRANSPORTABLE – X	1	REMOVED
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
18	P.S. 235 TRANSPORTABLE – K	2	REMOVED
18	P.S. 268 TRANSPORTABLE – K	1	REMOVED
20	P.S. 170 TRANSPORTABLE – K	2	REMOVED
22	P.S. 194 TRANSPORTABLE – K	1	REMOVED
27	RICHMOND HILL HS TRANSPORTABLE - Q	11	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
31	CURTIS HS TRANSPORTABLE - R	2	REMOVED
TOTAL # OF UNITS REMOVED		70	
3	P.S. 163 TRANSPORTABLE - M	2	REMOVAL PLAN IDENTIFIED
6	P.S. 5 TRANSPORTABLE – M	2	REMOVAL PLAN IDENTIFIED
7	P.S. CROTONA ACADEMY - X	8	REMOVAL PLAN IDENTIFIED
8	P.S. 14 TRANSPORTABLE – X	2	REMOVAL PLAN IDENTIFIED
10	I.S. 80/P.S. 280 TRANSPORTABLE - X	4	REMOVAL PLAN IDENTIFIED
10	J.F. KENNEDY HS TRANSPORTABLE - X	2	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	2	REMOVAL PLAN IDENTIFIED
18	P.S. 272 TRANSPORTABLE - K	3	REMOVAL PLAN IDENTIFIED
19	P.S 214 TRANSPORTABLE - K	7	REMOVAL PLAN IDENTIFIED
19	P.S. 290 TRANSPORTABLE - K	1	REMOVAL PLAN IDENTIFIED
19	I.S.302 TRANSPORTABLE – K	3	REMOVAL PLAN IDENTIFIED
22	P.S. 152 TRANSPORTABLE - K	2	REMOVAL PLAN IDENTIFIED
22	P.S. 193 TRANSPORTABLE - K	2	REMOVAL PLAN IDENTIFIED
22	P.S. 198 TRANSPORTABLE - K	2	REMOVAL PLAN IDENTIFIED
24	P.S 19 TRANSPORTABLE – Q	5	REMOVAL PLAN IDENTIFIED
24	I.S. 125 TRANSPORTABLE - Q	4	REMOVAL PLAN IDENTIFIED
24	P.S. 143 TRANSPORTABLE - Q	3	REMOVAL PLAN IDENTIFIED

District	Building Name	Number of TCUS	Removal Status
24	P.S. 199 TRANSPORTABLE - Q	2	REMOVAL PLAN IDENTIFIED
25	P.S. 163 TRANSPORTABLE - Q	2	REMOVAL PLAN IDENTIFIED
25	P.S. 24 TRANSPORTABLE – Q	2	REMOVAL PLAN IDENTIFIED
26	BAYSIDE HS TRANSPORTABLE - Q	3	REMOVAL PLAN IDENTIFIED
26	B.N. CARDOZO HS TRANSPORTABLE - Q	2	REMOVAL PLAN IDENTIFIED
27	P.S. 123 TRANSPORTABLE - Q	2	REMOVAL PLAN IDENTIFIED
27	I.S. 226 TRANSPORTABLE - Q	1	REMOVAL PLAN IDENTIFIED
27	P.S. 66 TRANSPORTABLE – Q	1	REMOVAL PLAN IDENTIFIED
28	P.S. 30 TRANSPORTABLE – Q	2	REMOVAL PLAN IDENTIFIED
28	P.S. 121 TRANSPORTABLE - Q	3	REMOVAL PLAN IDENTIFIED
28	P.S. 40 TRANSPORTABLE - Q	3	REMOVAL PLAN IDENTIFIED
28	P.S. 144 TRANSPORTABLE - Q	1	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
30	WILLIAM BRYANT HS TRANSPORTABLE - Q	3	REMOVAL PLAN IDENTIFIED
31	PORT RICHMOND HS TRANSPORTABLE - R	2	REMOVAL PLAN IDENTIFIED
TOTAL # OF UNITS IN PROCESS OF BEING REMOVED		100	
TOTAL # OF UNITS REMOVED OR IN PROCES		170	

*Continuation from previous page