

Committee on Education Hearing on the Fiscal 2013 Preliminary  
Capital Budget and the Proposed Amendment to the FY 2010-2014 Five Year Capital Plan for  
the Department of Education  
Opening Statement  
Robert Jackson, Chair  
Monday, March 26, 2012

Good morning and welcome to today's hearing of the Education Committee on the Mayor's FY 2013 Preliminary Capital Budget for the Department of Education (DOE) and the February Proposed Amendment to the FY 2010 – 2014 Five Year Capital Plan.

The Proposed Amendment totals \$11.2 billion. Though funding remains relatively flat from the Adopted Plan's \$11.1 billion budget, it includes several positive changes from the Current Plan that would better enable the DOE to meet schools' capital needs. The Proposed Amendment adds 5,000 new seats to the capital plan. It also expands the Capital Improvement Program (CIP) to include additional capital improvement projects, such as critical upgrades to fire alarm systems in approximately 60 school buildings.

Favorable market conditions allowed the DOE to stretch its capital budget further in the Proposed Amendment. In addition, the DOE reduced funding for Prior Plan Completion and the Facility Replacement Program because construction costs were lower than expected, and the DOE renewed several leases that it had anticipated replacing. The DOE then shifted these savings – \$60 million to the New Capacity Program and \$300 million to the Capital Improvement Program.

The Proposed Amendment is undoubtedly an improvement from the Current Plan. I am especially pleased to see the increase in New Capacity, which will help relieve the persistent

overcrowding in public schools. However, though the Proposed Amendment would fund nearly 34,000 new seats, it is still 16,000 seats short of meeting the City's need for 50,000 new seats.

Despite the Proposed Amendment's positive outlook overall, I have concerns about the DOE's priorities that are reflected in the capital budget. For example, the DOE's technology budget for FY 2012 is \$532 million. Last year the Council questioned whether the SCA would be able to spend this huge sum in a single fiscal year. As it turns out, they couldn't.

In the Proposed Amendment, the DOE shifted a total of \$200 million in the technology budget from FY 2011 and 2012 to FY 2013 and 2014. Given that market rates for construction are so favorable right now, why didn't the DOE use some of these funds for new capacity to help reduce the need for another 16,000 seats? I would also like to know how long the DOE will wait before deciding to use this funding for other projects if the SCA continues to face difficulties spending these technology funds.

In addition, the Council will be asking for an update on PCB remediation and the City's Ten Year Comprehensive Plan to improve energy efficiency in schools. I, along with most of my colleagues at the Council, believe ten years is too long, and PCBs are too great a health risk to our children to delay remediation. We would like to revisit the plan as soon as possible to reduce the timeframe.

Finally, I'd like to thank my fellow Councilmembers and the Borough Presidents for their contributions to school capital projects. When the capital plan was adopted last June, it included an additional \$120 million of Reso-A and Mayor/City Council partnership funding that will provide schools with computers, new playgrounds, improvements to auditoriums and cafeterias, and other projects that address schools' needs.

I look forward to hearing from the DOE and SCA about their priorities reflected in the Proposed Amendment to the Five Year Capital Plan. I hope they can provide the Council with answers to the questions I have posed as well as others we will ask today.

I'd like to remind everyone who wishes to testify today that you must fill out a witness slip, which is located on the desk of the Sergeant-at-Arms in the front of the room on your right. To allow as many people as possible to testify, testimony will be limited to 3 minutes per person. In addition, I'd like to remind everyone that this hearing is on the DOE's Proposed Amendment to the Capital Plan. The Preliminary Expense budget hearing will be held tomorrow.

Now, without anything further, I'd like to turn to our first witness...

THEN ANNOUNCE THAT, DUE TO TIME LIMITATIONS, MEMBERS WILL GET ONE FIVE-MINUTE QUESTION PERIOD.