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Testimony By

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I appreciate the opportunity to submit testimony on the important matter of the Department of Education's proposed five year capital plan. My office has received phone calls and emails from hundreds of parents expressing concern about overcrowded schools and the failure of DOE and the School Construction Authority to adequately address their concerns.

In May 2008, our office issued a report entitled *Growing Pains: Reforming Department of Education Capital Planning to Keep Pace with New York City's Residential Construction*. That report focused on several issues regarding the DOE Five-Year Capital Plan: adequacy of planning for new capacity; ability to provide that new capacity in a timely manner; and transparency and responsiveness of the capital planning process. It is those issues that I would like to address here as they relate to the proposed Capital Plan for 2010-2014. My comments do not relate to those portions of the proposed plan that deal with capital investment in existing facilities or major equipment.

A viable DOE capital plan for new capacity requires three elements. The first, of course, is money. The second is an accurate assessment of current capacity. And the third is accurate projections of future enrollment. Unfortunately, the document before us today has none of those elements.

Let me first speak of money. We are well aware of the constraints facing the City. Given those constraints, the amount of spending proposed in the capital plan before us today may be all we can afford. Unfortunately, however, it is nowhere near enough to provide what we need. Because of that, it is all the more important that the other two necessary elements – capacity computations and enrollment projections – be beyond reproach.

Capacity is defined by a DOE/SCA publication that we all know as the "Blue Book," which is, in fact, multiple volumes that assess, school by school, how much classroom space exists and what percent of that space is being used by students. There are several problems with it. First, the Blue Book is never current, and it is getting later. The Blue Book issued in October 2007 (the last time before the current one) was based on October 2006 data. The Blue Book most recently issued, in March 2009, was based on October 2007 data. So we have gone from a Blue Book that is a year out of date to one that is almost a year and a half out of date. This is definitely the wrong direction. This means that the capital plan is being developed using capacity figures that are 18 months old.

There are also some problems with the definitions of available space in the Blue Book. For example, if a music room had to be turned into a classroom five years ago to handle an emergency surge in enrollment, that music room is counted as a classroom forever more. That is just wrong. For the purposes of defining whether a school is over or under utilized, that music room should be counted as a music room.

Finally let us turn to the enrollment projections. DOE and SCA retain consultants to make these important estimates. In our May 2008 report, we showed that the enrollment projections produced by the consultants did not take into account residential building permits and were thus not adequately reflecting increases in enrollment resulting from what was then a major building boom. In addition, we found that the consultants made their projections on a district-wide basis, and that DOE/SCA did not provide for any new capacity in districts where enrollment overall was projected to decline. This unfortunately meant that high growth neighborhoods in declining districts got no relief.

Consider for example District 3 on the West Side of Manhattan. Overall, enrollment was projected to decline in the district by 6.6 percent from 2005 to 2020, so no new schools were planned. However, the Lincoln Square and the Upper West Side were experiencing a population boom, and its schools were seriously overcrowded. PS 199 in Lincoln Square was at 117 percent of capacity, and PS 75 on the Upper West Side was at a staggering 133 percent of capacity, both according to the Blue Book published in October 2007 (using October 2006 data). Some District 3 schools are those that will not have sufficient space for kindergartners in the fall. Sad to say, no new capacity is provided for District 3 in the Proposed Capital Plan.

We recently looked at the rate of enrollment growth or decline for the period 2003-04 to 2008-09, district by district, projected by these consultants, and we compared it to the rate reported by DOE. Enrollment was substantially underprojected in eight districts, and substantially overprojected in another nine districts. This means that in just over half of the 32 community school districts, the projections were not useful, even on a districtwide basis. (By substantial, we mean at least a four percentage point disparity between the enrollment change projected by the consultants and the change as reported by DOE. In eight districts, there was at least an eight percentage point disparity.) In its 2010-2014 submission, DOE presents information on projected versus actual enrollment from 2005 through 2008, which shows that the projections were very close to the actuals, and were generally a little higher than the actuals. However, that data is presented systemwide and thus masks wide variations between projections and actuals by district.

This year, DOE retained a second consultant to project enrollment, possibly as a transitional step to replace the original consultants. The projections they released in March 2009 for the upcoming school year (2009-2010) by community school district were different from the original consultants' in every case. The newer consultants projected 295 more students than the original consultants in District 4, 256 more students in District 13, and 270 more students in District 23. These are significant numbers of students, especially if there are no seats for them in district schools. By the same token, the newer consultants projected *lower* enrollment in some districts: 190 students in District 16, 387 students in District 18, and a whopping 1,431 students in District 24. We would like to be able to discuss with you the reasons for these differences; unfortunately, however, the consultant reports available from DOE/SCA present only numbers. There is no discussion of the methodology underlying these numbers.

I am pleased to report that, as we recommended, the DOE/SCA proposed capital plan for 2010-2014 now presents information by neighborhood, rather than solely by community school district. However, as we have shown, much more still needs to be done.

Our 2008 report also found other flaws in the capital planning process. Schools take much too long to site, design and build, and the timetables are constantly being pushed back. For example, there is a project in District 20 that was to have been completed by November 2010 according to the 2005-2009 Capital Plan. The current Proposed Plan projects a completion date of December 2015. Indeed, because the 2005-2009 Capital Plan also failed to list projects carried over from the 2000-2004 Capital Plan, it is possible that some of the projects being carried forward into the 2010-2014 Capital Plan actually originated in the 2000-2004 capital plan.

Reports of “new seats provided” are vastly overstated, because it often takes ten and sometimes 15 years to produce schools “provided” in a five year capital plan. For example, the 2004-2009 Capital Plan was touted by DOE as providing 63,000 new seats. A reasonable observer might have thought that those 63,000 seats would be available to the end of the five-year period. However, DOE recently announced that only 20,801 seats (or 33 percent) are complete. Another 12,734 (20.2 percent) are expected this coming September. There are 21,515 seats (34.2 percent) that are expected to be completed by September 2012. If you think that doesn’t come to 63,000 seats, you are correct. Some 8,000 seats are identified in the new capital plan as “carryover” seats. This amounts to 12.7 percent of the seats promised in the 2004-2009 capital plan. Thus the 25,000 seats promised in the 2010-2014 plan consist of 17,000 brand new seats and 8,000 that people might have expected sometime before this year.

Following the recommendations in our May 2008 report, we are pleased to say that the capital plan does clearly identify carryover seats. However, it is still not possible to track these carryovers project by project without an inordinate amount of detailed work. It would be more useful if each carryover project were presented with its original completion date and its currently projected completion date, so we could all understand where, and possibly why, delays are occurring.

The lack of transparency-- the difficulty in tracking carry over projects cited above and the complete failure to provide the assumptions used by the consultants in making their enrollment projections in the Capital Plan -- is a major flaw.

As you consider the DOE/SCA Proposed Capital Plan for 2010-2014, I urge you to insist that these agencies further improve their process and their level of communication with the public. It is imperative that parents and others be provided with all available information in a clear and comprehensible format, so that they can make informed decisions for their children’s education.