



ANALYSIS OF THE MAYOR'S EXECUTIVE BUDGET CAPITAL PLAN FOR 2001-2004

In April the Mayor proposed a four-year capital spending plan totaling \$24.9 billion for fiscal years 2001 to 2004. This is a 38.7 percent increase compared with the \$18.0 billion in projected commitments for 1997-2000. While the current plan is the largest four-year capital plan ever proposed, the city still faces an enormous gap between its capital infrastructure needs and available resources. The City Comptroller has estimated that \$92 billion in capital spending is required over a ten-year period to bring the city's infrastructure up to a state of good repair and address some (but not all) of its new capital needs. At the same time, the city is currently running up against a constitutionally imposed limit on its indebtedness. Thus, even maintaining the high level of investment proposed by the Mayor would fall short of the identified need, and still exceed the city's current legal borrowing capacity. The city faces a dilemma: how to meet its capital needs with higher levels of investment while maintaining affordable levels of indebtedness and debt service.

To help increase public awareness and understanding of the capital budget, the Independent Budget Office (IBO) is providing this review of the Mayor's proposed capital plan for fiscal years 2001-2004. In this report we provide an update on the status of the fiscal year 2000 capital plan, including a review of City Council and Borough President capital allocations. For each agency, we provide a synopsis of proposed capital commitments and major projects, and compare the proposed plan with the projected total for the previous four-year period, 1997-2000. To briefly summarize the proposed capital plan:

- *Environmental protection* consumes the largest share of the capital budget plan for 2001-2004—24.7 percent, or \$6.2 billion—and also shows the largest increase from the previous four years, 71.4 percent.
- *Education* makes up the next largest share of the capital plan—\$5.5 billion, or 21.9 percent. Over 99 percent of this category is for the School Construction Authority and other Board of Education capital spending (\$5.4 billion). The city also proposes contributing \$29 million toward the CUNY capital plan.
- *Transportation* absorbs 20.2 percent of total planned commitments, or over \$5.0 billion, including the city's subsidy to the MTA capital program.
- *Housing and Economic Development* commitments total \$2.2 billion—8.7 percent of planned commitments. Planned housing commitments total \$1.5 billion. Proposed economic development projects will total another \$676 million.
- The remainder of the capital budget—\$6.0 billion, or 24 percent of the total—falls under the category of *City Operations and Facilities*, and includes such important functions as police, fire, courts, parks, libraries, and health and social service agencies.

Note: Unless otherwise noted, all references to years in both text and figures denote New York City fiscal years (July 1 to June 30).

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I. Introduction

Why a Separate Capital Budget?

Almost all state and local governments in the United States maintain a capital budget or plan distinct from their operating (or, as it is known in New York, expense) budget. The expense budget funds current operations and services, including the salaries of government employees and routine operating expenses like printer and copier paper, pens and pencils, magazine and newspaper subscriptions, printing services, postage, rent and utilities, and similar items.

Capital budgets generally fund fixed assets used either in support of government operations (such as government offices, schools, prisons, police and fire stations) or for general public use (such as roads, bridges, water mains and sewers, libraries, and parks). Their most salient characteristic is that they have long useful lives. A firehouse, playground, or public school building will be in service for many years (91 percent of New York City public school buildings are at least 25 years old).

There are two reasons to separately budget for capital items:¹

- As a matter of equity, it seems fair that current taxpayers should help pay for the use of facilities that may have been built before they were citizens of the jurisdiction. Why should taxpayers who happen to be city residents for the one or two years required for construction of a public library pay all the cost of a facility which their children, grandchildren, and even more distant generations would then enjoy the use of for free?
- Because capital projects vary considerably in size, complexity, and cost, the stream of expenditures can be considerably "lumpier" than it is for expense budget items. To pay for a capital program as part of the general budget would require erratic changes in tax rates from year to year—an undue and unpredictable burden on taxpayers.

The most common solution is debt financing, which allows the local government to obtain the necessary funds when they are needed, while stretching out payments to roughly correspond to the useful life of its capital assets, and maintaining a steady and predictable expense stream in the form of debt service.

Where to Draw the Line?

A few items seem to fall into a gray area between the capital and expense budgets, including fixed assets such as personal computers, desks and chairs, and vehicles. The line between what is a capital item and what is not must be set somewhere, and is inevitably somewhat arbitrary. Under current city rules, any purchase over \$35,000 which has a projected useful life of five years or more is considered a capital item. (On January 1, 2000, the threshold amount was increased from \$15,000, where it had been since 1979.)

Two recent examples illustrate some of the complexities of determining what is and is not a capital project:

- Last year, the Comptroller disallowed a \$64.9 million leachate control system for the Fresh Kills landfill in the Department of Sanitation's capital plan, because the landfill is slated to close in 2002 and thus has a useful life of less than five years. The project must now be financed from the Department of Sanitation's expense budget.
- The increase in the threshold amount for a capital project to \$35,000 resulted in the shift of a total of \$9.3 million from the Department of Housing Preservation and Development's (HPD) capital budget to its expense budget. These funds were for contracts for the seal-up and demolition of numerous abandoned and unsafe properties.

Other common rules of thumb are used to distinguish between capital and expense items. Initial purchases of furnishings and equipment for a new city building are included as part of the capital budget, whereas subsequent purchases of furniture, photocopiers, printers, and the like are usually expensed. Personal computers purchased as part of a network are usually capital items whereas individual PCs are expensed.

Non Debt-Financed Capital

Some capital projects are financed not by long-term debt, but by current revenues, transferred from the general fund to the capital projects fund. This is called Pay-As-You-Go, or PAYGO, capital spending. Recently, as the city enjoyed substantial expense budget surpluses, IBO, the City Comptroller, and others have advocated using the surpluses to supplement the debt-financed capital program with PAYGO capital spending. Another alternative to debt finance is capital leasing, discussed below.

Table 1-1.
Debt High by Rating Agency Standards

New York City Debt Ratios vs. Standard & Poor's Benchmarks

Ratio	"High" Cutoff for S&P's Benchmark	New York City
Debt to Market Value	6%	9.6%
Debt Service to Operating Expenditures	15%	15.1%
Debt per Capita	\$ 2,500	\$ 4,900
Debt to Income	6%	12.2%

SOURCES: Benchmarks from *CreditWeek*, February 1999. NYC ratios calculated by IBO.

NOTES: Debt here includes GO, MAC, and TFA. NYC ratios are projections for July 1, 2000.

While using current revenues contradicts the rationale laid out above for using long-term financing for capital projects, calls for greater PAYGO capital spending are generally based on a combination of expediency and fiscal prudence.

First, the city has nearly reached the limit on its borrowing authority as authorized by the constitutional debt limit, and will be unable to fully fund the capital program beginning in 2002 without some change to the State Constitution or the law governing the Transitional Finance Authority. Using current surpluses for capital projects could ease the pressure on the debt limit, while continuing to fully fund the city's capital program.

Second, the city's debt burden is by almost all measures very high. Table 1-1 above, reproduced from IBO's March report on the Mayor's Preliminary Budget, shows that on three out of four measures, New York City's debt ratios exceed what the Standard and Poor's

credit rating agency consider to be high. Whether measured as the ratio of debt to the market value of real property, debt per capita, or debt relative to income, the city is well above the high cutoff point on the S&P benchmarks. Using PAYGO to supplement the capital program helps the city meet its capital needs without further adding to its already heavy debt burden.

Another alternative to long-term debt financing is capital leasing. The city may enter into long-term lease agreements under which another entity finances (and usually manages) construction of a building or other capital asset, and in turn the city makes annual lease payments set at a level to cover debt service. The issuing entity may be a private company, a quasi-public authority, or state government agency (for example, the New York State Dormitory Authority). This arrangement allows the city to bypass the constitutional debt limit—although the annual lease payments themselves do count against the limit.

II. The Capital Commitment Plan By Major Area

Overview

The Mayor's capital plan for 2001 to 2004 provides for \$24.9 billion in planned capital commitments, including \$23.0 billion funded by city sources (Table 2-1). This is a 38.7 percent increase compared with the \$18.0 billion in projected commitments for 1997-2000.

- *Environmental protection* consumes the largest share of the capital budget plan for the 2001 to 2004 period—24.7 percent, or \$6.2 billion—and also shows the largest increase from the previous four years, 71.4 percent. The majority of this spending is for wastewater treatment plants (\$3.3 billion), and other parts of the water and sewer capital program (\$2.5 billion).
- *Education and Hospitals* (\$6.0 billion) also make up a significant share of the capital plan—23.9 percent. Over 91 percent of this category is for the School Construction Authority and other Board of Education capital spending (\$5.4 billion). Under the plan, the city would contribute \$29 million toward the CUNY capital plan. The Health and Hospitals Corporation (HHC) system would receive \$493 million for construction and renovation of public hospitals.
- *Transportation* absorbs 18.4 percent of total planned commitments, or \$4.6 billion. Construction and rehabilitation of the city's roads and bridges account for \$3.8 billion, while the city's subsidy to the MTA capital program is projected at \$771 million. These figures do not include another \$442.1 million in capital commitments for such other city Department of Transportation spending as bus and ferry services, streetlight equipment and maintenance, and signage, which the plan includes under the category of City Operations and Facilities. Including this spending raises total transportation capital commitments to over \$5 billion, or 20.2 percent of planned capital commitments.
- *Housing and Economic Development* commitments total \$2.2 billion—8.7 percent of

planned commitments. Planned housing commitments total \$1.5 billion, 38 percent greater than the projected 1997-2000 commitments. Over half of the funds will be devoted to the renovation and disposition of the city-owned "*in rem*" housing stock. Proposed economic development projects will total another \$676 million, including possible funding for a new site for the New York Stock Exchange and development of minor league stadiums.

- The remainder of the capital budget falls under the category of *City Operations and Facilities*, and includes such important functions as police, fire, courts, parks, libraries, and health and social service agencies.

A Note on Terminology and Methodology

In the city's capital budget parlance, a **commitment** is a contract between a city agency and a contractor or vendor which obligates funds for the completion of a capital project. The capital commitment plan includes two levels of commitments: **authorized commitments** and so-called **planned commitments**, which are based on **agency targets**. The plan authorizes a higher level of commitments than agencies expect to actually make in order to provide flexibility to adjust the cost, scope, and timing of capital projects. Agency targets reflect the actual intended level of investment. The difference between these two levels is referred to as the **reserve for unattained commitments**.

For purposes of comparison, we have used an estimate of planned commitments in Table 2-1, which sum to \$24,895 million over the four-year plan period.² Authorized commitments sum to \$26,210 million, or about 5 percent more. We believe that using planned commitments provides a more accurate overall basis for comparison. The project-level detail in the capital commitment plan, however, is expressed in terms of authorized commitments. Since it is impossible to predict which projects are most likely to undergo changes, the more detailed reviews of agency programs in Section II are in terms of authorized commitments.

Status of the 2000 Capital Plan

Since it was proposed with the 2000 executive budget last year, the 2000 capital plan has evolved considerably. Overall, authorized commitments have shrunk 6.3 percent; commitment targets have fallen by 17.8 percent compared with the original proposal (Table 2-2).

The largest declines in commitments have come in the areas of environmental protection and transportation. Other areas with large decreases include police, corrections, and sanitation. Most of these changes result from postponement of projects from 2000 to future years. This reflects a common pattern of “front-

Table 2-1.
Capital Commitments 1997-2000 and Plan 2001-2004 (All Funds)

<i>Dollars in millions</i>	1997-2000 Projected (\$)	Percent of Total (%)	2001-2004 Proposed (\$)	Percent of Total (%)	Increase (\$)	Percent Change (%)
Environmental Protection						
Equipment	\$467.6	2.6%	\$391.7	1.6%	(\$75.9)	(16.2%)
Sewers	717.5	4.0%	547.3	2.2%	(170.1)	(23.7%)
Water Mains	1,057.8	5.9%	1,071.8	4.3%	14.1	1.3%
Water Pollution Control	1,195.0	6.7%	3,270.0	13.1%	2,075.0	173.6%
Water Supply	153.8	0.9%	875.1	3.5%	721.4	469.1%
Subtotal	\$3,591.6	20.0%	\$6,156.0	24.7%	\$2,564.4	71.4%
Education & Hospitals						
Education (BOE)	\$4,947.0	27.6%	\$5,438.9	21.8%	\$491.8	9.9%
Higher Education (CUNY)	66.3	0.4%	28.9	0.1%	(37.4)	(56.4%)
Hospitals (HHC)	207.8	1.2%	492.6	2.0%	284.8	137.1%
Subtotal	\$5,221.1	29.1%	\$5,960.3	23.9%	\$739.2	14.2%
Transportation						
Mass Transit	\$1,215.0	6.8%	\$771.0	3.1%	(\$444.0)	(36.5%)
Highways	724.8	4.0%	1,101.5	4.4%	376.7	52.0%
Highway Bridges	570.2	3.2%	1,733.6	7.0%	1,163.4	204.0%
Waterway Bridges	982.8	5.5%	974.4	3.9%	(8.4)	(0.9%)
Subtotal	\$3,492.8	19.5%	\$4,580.5	18.4%	\$1,087.7	31.1%
Housing & Economic Development						
Housing	\$1,058.7	5.9%	\$1,498.2	6.0%	\$439.5	41.5%
Economic Development	504.2	2.8%	675.9	2.7%	171.7	34.1%
Port Development	3.3	0.0%	(1.0)	0.0%	(4.3)	(130.2%)
Subtotal	\$1,566.2	8.7%	\$2,173.1	8.7%	\$606.9	38.7%
City Operations & Facilities						
Correction	\$271.7	1.5%	\$457.5	1.8%	\$185.8	68.4%
Fire	299.3	1.7%	339.7	1.4%	40.4	13.5%
Police	163.9	0.9%	280.0	1.1%	116.1	70.8%
Public Buildings	307.3	1.7%	390.0	1.6%	82.7	26.9%
Sanitation	357.7	2.0%	950.3	3.8%	592.5	165.6%
Parks	673.5	3.8%	424.4	1.7%	(249.1)	(37.0%)
Other	2,006.6	11.2%	3,183.2	12.8%	1,176.7	58.6%
Subtotal	\$4,080.0	22.7%	\$6,025.0	24.2%	\$1,945.1	47.7%
TOTAL	\$17,951.7		\$24,895.0		\$6,943.3	38.7%

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

NOTE: The 1997-2000 amounts are based on actual commitments for 1997 to 1999 and on commitment targets for 2000. The 2001-04 plan amounts are adjusted to reflect agency commitment targets. See text.

Table 2-2.
FY 2000 Capital Commitment Plan

<i>Dollars in millions</i>	April 99 Plan	April 00 Plan	Increase (Decrease)	Percentage Change
Environmental Protection	\$1,860	\$1,345	(\$515)	(27.7%)
Transportation	1,039	793	(246)	(23.7%)
Education & Hospitals	1,093	1,554	461	42.2%
Housing & Economic Development	724	840	116	16.0%
City Operations & Facilities	<u>2,348</u>	<u>2,089</u>	<u>(259)</u>	<u>(11.0%)</u>
Total Authorized Commitments	\$7,065	\$6,620	(\$445)	(6.3%)
Commitment Targets	\$5,997	\$4,932	(\$1,065)	(17.8%)

SOURCE: IBO, based on *Executive Budget Capital Commitment Plans, Fiscal Year 2000 and Fiscal Year 2001.*

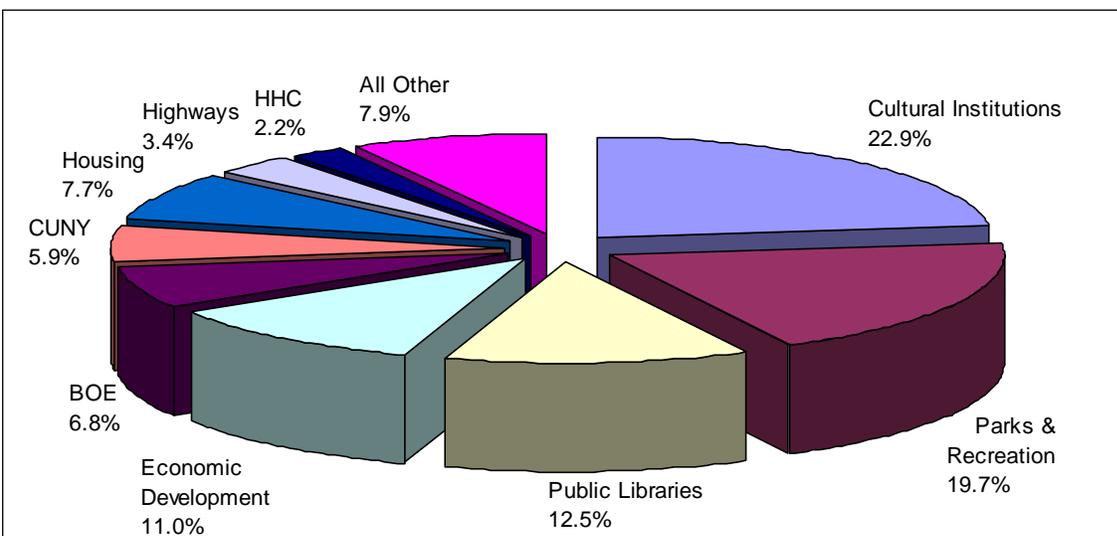
loading” commitment plans, with the result that projects scheduled in the first year of a plan are deferred to subsequent years during the course of the plan’s execution.

Board of Education capital commitments have increased substantially, as have those for housing. (BOE, in fact, is the only area where the current commitment targets actually exceed the original authorized commitments.) Other areas with increases in authorized commitments include CUNY and HHC.

Council and Borough President Capital Allocations

Although total authorized commitments for 2000 have fallen by 6.3 percent, the City Council and Borough Presidents have added some \$326.1 million to the plan since it was originally proposed in April 1999. Combined Council and Borough President commitments currently account for \$599.8 million, or 9.1 percent, of total authorized commitments.

Chart 2-1.
Allocation of Combined Council and Borough President Capital Commitments By Agency, 2000



SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001.*

Table 2-3.
Council and Borough President Capital Funds
As Percentage of Total Agency Capital Commitments

Agency	Council	B.P.	Combined
Public Libraries ¹	61.6%	29.5%	91.2%
CUNY	45.1%	25.4%	70.5%
Real Property	50.9%	10.9%	61.8%
Cultural Institutions	41.0%	14.2%	55.1%
Parks & Recreation	37.2%	13.2%	50.3%
NYCHA	44.8%	3.7%	48.5%
Dept. For The Aging	41.4%	(1.9%)	39.4%
Economic Development	11.7%	5.8%	17.5%
NYPL Research Libraries	12.6%	4.1%	16.6%
All Other	<u>1.8%</u>	<u>0.6%</u>	<u>2.4%</u>
Total	6.6%	2.4%	9.1%

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

NOTES: New York, Brooklyn, and Queens Borough Public Libraries, not including NYPL Research Libraries. B.P. = Borough President.

These allocations are not distributed equally by agency. Rather, the Council and Borough Presidents tend to concentrate their capital funds in particular areas (Chart 2-1), focusing in particular on funding for cultural institutions, parks, libraries, and economic development projects.

In some instances, the Council and Borough President funds constitute a substantial percentage of total agency capital commitments (Table 2-3).

Environmental Protection

Environmental protection consumes an increasing portion of the city's capital budget. Total planned capital commitments for 2001 through 2004 are \$6.5 billion, or 24.9 percent of the total city capital program (Table 2-4). In the four-year period 1997 to 2000, capital commitments for environmental protection are projected to total \$4.0 billion.

Spending on water pollution control projects in the four-year capital program totals \$3.47 billion, 53.1 percent of total environmental protection spending, and 13.2 percent of total projected capital commitments. The largest single project in this category is the upgrading of the Newtown Creek plant, funded at \$1.24 billion. Another \$1.18 billion will be spent on upgrades and improvements to other city wastewater treatment plants. The plan devotes \$669.9 million to remediating overflows of combined storm and sanitation sewers.

The city projects spending \$2.02 billion on water supply and distribution projects, a category that includes the Croton Filtration Plant, to be located under the Mosholu golf course in Van Cortlandt Park, in the Bronx. The plant will ultimately cost approximately \$1 billion, although the bulk of the construction costs will only begin to be incurred in 2004. Another major water supply project is construction of the Third Water Tunnel to bring water from the Croton reservoir system to Brooklyn and Queens. Construction of the tunnel

Table 2-4.
Environmental Protection Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Water Pollution Control						
Upgrade Newtown Creek Plant	\$297.9	\$775.7	\$466.0	--	--	\$1,241.7
Other Wastewater Treatment Plants	124.3	117.1	599.9	\$343.6	\$122.5	1,183.2
Combined Sewer Overflow Abatement	35.2	45.4	181.7	286.3	156.5	669.9
All Other Water Pollution Control	<u>10.6</u>	<u>144.5</u>	<u>164.6</u>	<u>32.6</u>	<u>30.6</u>	<u>372.4</u>
<i>Subtotal, Water Pollution Control</i>	<i>\$467.9</i>	<i>\$1,082.7</i>	<i>\$1,412.3</i>	<i>\$662.6</i>	<i>\$309.6</i>	<i>\$3,467.1</i>
Water Supply & Distribution						
Croton Filtration Plant	\$10.9	\$13.0	\$99.4	\$76.0	\$130.0	\$318.4
Upstate Water Mains	155.2	99.4	93.0	122.3	41.8	356.5
City Tunnel No. 3	109.3	182.6	225.8	323.5	154.0	885.9
Other Water Supply and Distribution	<u>184.7</u>	<u>149.9</u>	<u>72.7</u>	<u>109.5</u>	<u>128.9</u>	<u>461.1</u>
<i>Subtotal, Water Supply & Distribution</i>	<i>\$460.1</i>	<i>\$444.9</i>	<i>\$491.0</i>	<i>\$631.3</i>	<i>\$454.7</i>	<i>\$2,021.9</i>
Storm & Sanitary Sewers	265.5	217.0	165.0	105.6	98.2	585.8
DEP Equipment	<u>150.9</u>	<u>370.7</u>	<u>38.6</u>	<u>30.0</u>	<u>16.7</u>	<u>456.0</u>
Total	\$1,344.5	\$2,115.2	\$2,106.8	\$1,429.5	\$879.3	\$6,530.8

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

will cost \$885.9 million during the four-year capital program period. Other significant areas or expenditure are for water mains in the city's upstate watershed region (\$356.5 million), water main extensions within the city (\$170.5 million) and improvements to pumping stations (\$238.2 million).

Finally, the city will spend \$585.8 million in capital funds over the next four years on construction and reconstruction of sanitary and storm sewers throughout the city.

The executive budget capital commitment plan for 2000 projected \$1.86 billion in capital commitments for environmental protection, which has been revised downward to \$1.34 billion in the current plan. Deferral of work on various water pollution control projects explains most of the difference.

Debt financing for the environmental protection capital program is issued by the Municipal Water Finance Authority, a state-chartered public benefit corporation that issues its own bonds. Unlike city General Obligation debt, which is backed by the full faith and credit of the city, Water Authority debt is backed by water and sewer charges paid by the system's customers. To finance the growing debt burden of the Authority, water and sewer charges have risen 29 percent since 1995. Strong revenue collections and a slight decrease in operating costs in 2000 have led the Water Board to propose an increase of only 1 percent in water and sewer rates for fiscal year 2001. The Board currently projects that charges will resume a high-growth path thereafter, however, increasing at an average annual rate of 6.9 percent for the following five years.

Education

Board of Education

Capital commitments for the Board of Education (BOE) for the 2001 to 2004 period total \$5.5 billion, as compared to a projected \$5.0 billion for the 1997 to 2000 period (Table 2-5). Projects included in the commitment plan fall into several categories, including new school construction, building additions, exterior modernizations, boiler conversions, heating plant upgrades, and other improvements.

BOE's plans for capital spending are laid out in its \$7.0 billion Five-Year Capital Plan for 2000 to 2004, adopted in May 1999. The plan was amended in April 2000 and now totals \$7.2 billion.³ (Note that largely for reasons of timing of planned commitments, the Board's planned annual spending as reported in the Five-Year Capital Plan differs from that reported in the city's capital commitment plan.) The Five-Year Plan, in addition to adding seats throughout the city, also aims to bring more of the Board's assets into a state of good repair and to address physical asset management more than it has in the past. Although the current plan is smaller than the \$11.2 billion plan originally proposed by the Chancellor, it is far larger than the \$4.9 billion plan that was in place from 1995 to 1999.

The largest portion of the plan—38 percent, or \$2.7 billion—is to be spent on fixing “critical deficiencies” to achieve a state of good repair (compared to \$1.3 billion, or 25 percent, in the 1995 to 1999 plan). Particular emphasis is given to making exteriors watertight and addressing safety concerns.⁴ The bulk

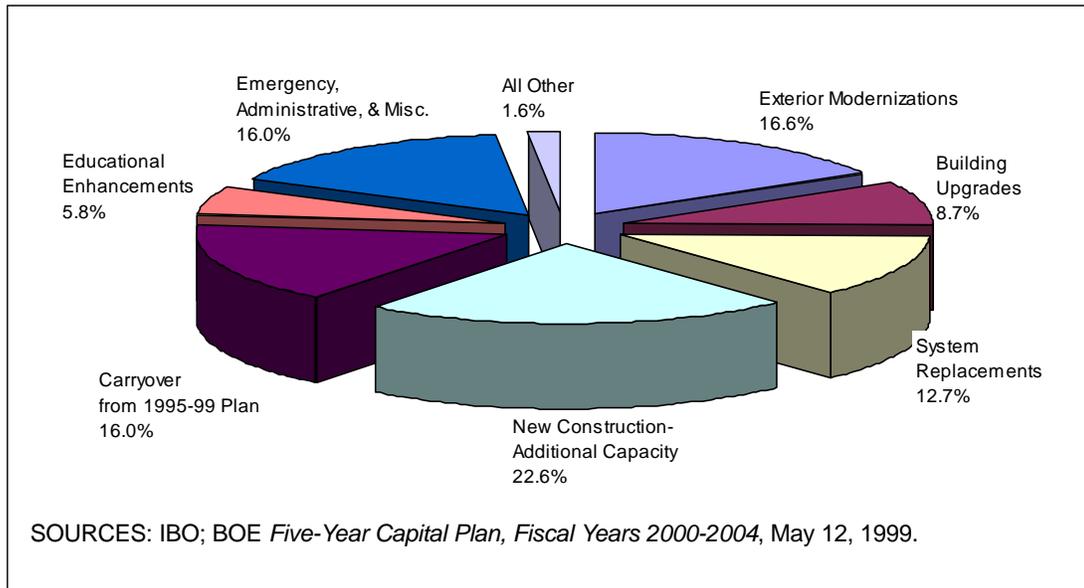
Table 2-5.
BOE Authorized Capital Commitments 2000-2004

Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
New Construction	\$537.7	\$635.9	\$464.8	\$551.0	\$504.8	\$2,156.4
School Modernization	56.0	66.2	48.4	57.3	52.5	224.4
Replacement and Rehab	547.2	647.2	473.0	560.8	513.7	2,194.7
Miscellaneous Improvements	147.4	174.3	127.4	151.0	138.4	591.1
Admin Facility Improvements	20.5	24.2	17.7	21.0	19.2	82.1
Federal/State/Local Mandates	31.4	37.1	27.1	32.2	29.5	125.9
Rehab of Playgrounds and Athletic Fields	<u>24.6</u>	<u>29.0</u>	<u>21.2</u>	<u>25.2</u>	<u>23.1</u>	<u>98.5</u>
Total	\$1,359.7	\$1,613.8	\$1,179.7	\$1,398.4	\$1,281.1	\$5,473.0

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001; Message of the Mayor.*

Chart 2-2.
Major Components of BOE Five-Year Capital Plan



of this work will consist of projects focused on building exteriors, with \$1.2 billion dedicated to major exterior modernizations (see Chart 2-2). Other major categories of exterior work include masonry projects and roof replacements. In addition, state of good repair projects include replacing coal boilers, upgrading heating plants, replacing windows, and upgrading electrical systems. No major interior modernizations are scheduled.

BOE's plan will also add capacity to the system in order to address existing overcrowding and projected enrollment growth and accommodate new needs brought on by universal prekindergarten and early grade class size reduction efforts. The plan dedicates 22.6 percent of the new funding (\$1.6 billion) to new capacity projects. Most of these funds (\$1.3 billion) will go for new buildings, while \$222 million will go toward capital improvements for newly leased space. Unlike the previous plan, which relied heavily on less permanent alternatives to new buildings that were faster and cheaper to complete, the Board's current capital plan allocates only \$16 million for transportable classrooms and \$8 million for building additions. Capacity projects included in the current capital plan will add a total of 32,953 seats.

The plan also includes \$1.1 billion (16 percent of the total) for the completion of projects carried over from

the 1995 to 1999 capital plan, which will provide an additional 25,190 seats, bringing the total planned new seats to 58,143.⁵ Including the carry-over projects, spending for system expansion in the current Board capital plan amounts to 38 percent of the total. In the 1995 to 1999 plan, the Board was to spend \$1.8 billion (including \$559 million rolled over from the 1990-94 plan), or 36 percent of total spending, on system expansion, adding 50,798 seats.

An additional \$1.7 billion (23.4 percent) is to be spent on systemwide needs. These include educational enhancements of \$300 million for technology improvements, \$55 million for science lab upgrades, \$43 million on room partitioning, and \$21 million on accessibility for disabled students. Other expenses included in citywide categories include School Construction Authority administration, at \$57 million; wrap-up insurance, at \$168 million; and unspecified emergency repairs, at \$516 million. During the 1995 to 1999 period, the Board was slated to spend \$1.9 billion, or 39 percent of the capital plan, on various systemwide needs.

CUNY

The city's capital commitment plan for CUNY contains \$31.3 million in authorized commitments for 2001-2004, including \$19.1 million in city funds (61 percent of the total) (Table 2-6). Actual commitments for 1996-

Table 2-6.
CUNY Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Community Colleges (6)	\$23.3	\$4.1	\$3.6	\$4.1	\$7.8	\$19.6
Medgar Evers College (1)	3.5	2.4	0.6	0.5	0.0	3.6
Senior Colleges (except MEC) (10)	14.1	4.8	0.1	0.0	0.0	4.9
Graduate/ Professional Schools (3)	1.3	0.0	0.0	0.0	0.0	0.0
CUNY Systemwide Projects (20)	7.5	0.0	1.5	0.7	0.0	2.2
Hunter Campus Public Schools	<u>0.5</u>	<u>0.3</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
Total	\$50.2	\$11.6	\$6.2	\$5.3	\$7.9	\$31.3

SOURCES: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*; *CUNY Capital Outlay Program 2000/2001*.

NOTE: Number of campuses in parentheses.

1999 were \$35 million, including \$30 million in city funds (86 percent).

The city and state share equally the responsibility for funding the capital program for the university's six community colleges and one senior college, Medgar Evers.⁶ In contrast, the state assumes 100 percent capital funding responsibility for the other ten CUNY senior colleges, graduate center, law school, and medical school. The city plan therefore does not include funds for most senior college and graduate school capital projects. The only city funds that senior college and graduate school projects receive are those added by City Council members and Borough Presidents.

Overall, the city's capital plan includes less than one-seventh of the CUNY capital program. During 1995 to 1999, capital outlays throughout the CUNY system totaled \$239 million.

For 2001-2004, the CUNY system's capital request exceeds \$1.1 billion, including \$855 million in projects entirely funded by the state and \$292 million in projects funded jointly by the city and state. In other words, CUNY has requested \$146 million in city funding for projects that would qualify for a state match. In contrast, the city's capital plan for 2001-2004 includes \$12.2 million of city funding (and \$24.4 million in total funding) for match-eligible projects.

There is a large backlog of capital projects authorized in previous years that were not committed but have continually been rolled over into the next year's authorized commitments. Consequently, the city plan includes \$50.2 million in authorized CUNY commitments for the current year (2000), most of which will likely be rolled into 2001. During the first two-thirds of the current fiscal year (July 1 through February 29), only \$6.0 million was committed.

Transportation

The city's capital budget includes spending by the NYC Department of Transportation on the city's streets, highways, and bridges, as well as a capital subsidy to the New York City Transit Authority, which operates most of the city's public transportation system.

Table 2-7.
Department of Transportation Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Highways	\$213.9	\$328.2	\$286.9	\$272.5	\$270.9	\$1,158.5
Highway Bridges	336.9	352.9	433.0	620.4	386.6	1,792.9
Waterway Bridges	128.0	326.3	157.7	0.0	548.6	1,032.6
Franchise Transportation	52.3	129.0	28.8	28.8	0.0	186.5
Ferries & Aviation	52.2	83.7	94.0	8.6	4.0	190.3
Traffic	60.8	87.8	41.6	28.5	33.9	191.8
Transportation Equipment	<u>8.5</u>	<u>18.3</u>	<u>14.8</u>	<u>4.9</u>	<u>6.5</u>	<u>44.5</u>
Total	\$852.7	\$1,326.2	\$1,056.8	\$963.7	\$1,250.4	\$4,597.1

Source: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Department of Transportation

The capital commitment plan for the New York City Department of Transportation (DOT) in fiscal years 2001-2004 totals \$4.6 billion, of which 83.8 percent—\$3.9 billion—is derived from city-issued debt. The department's capital spending is divided into seven categories: highways, highway bridges, waterway bridges, ferries and aviation, franchise transportation, transportation equipment, and traffic (the last four categories are included under "city operations and facilities" in Table 2-1 above, but are included here to give a more complete picture of transportation capital spending).⁷ Table 2-7 indicates the level of commitments for the period 2001-2004, by program area.

Nearly two-thirds of DOT's capital commitments for 2001-2004 are for highways and highway bridges, and over 90 percent of the funding is from the city. Waterway bridges are the next largest spending category, and make up around one-fifth of the total, about one-fourth funded by federal aid. The bulk of this category is for continued reconstruction of the East River bridges.

The planned capital commitments for waterway bridges, highway bridges, and highways total roughly \$4.0 billion (\$3.5 billion in city funds) for the period 2001-2004, compared with \$2.5 billion (\$1.9 billion in city funds) in projected total commitments for the period 1997-2000.

In 2001 the largest city commitments are \$128.5 million for the reconstruction of the Manhattan Bridge, \$67.3 million for construction of a ramp from the Third Avenue Bridge to Bruckner Boulevard in the Bronx, and \$44.9 million for rehabilitation of the Brooklyn Bridge.

The Mayor's Executive Budget Summary for 2001 highlights a proposed new bridge connecting FDR Drive in Manhattan with the Major Deegan Expressway and Willis Avenue in the Bronx. The department calculates the cost of this new Willis Avenue Bridge at \$302 million in 2005 dollars. The April 2000 capital commitment plan commits \$11.2 million to the project in 2000, \$1.4 million in 2001, and \$251.0 million in 2004 (all city funds). NYC DOT expects the new bridge to be completed by the end of 2007. The existing bridge will remain open until the new structure is completed.

The Executive Budget Summary for 2001 also highlights a capital expenditure for the purchase of compressed natural gas (CNG) buses. These vehicles pollute less than conventional diesel buses, and will be used by the private bus companies that are subsidized by DOT. The April 2000 Plan commits \$94.0 million to the purchase of buses and related equipment in 2001, \$28.8 million in 2002, and \$28.8 million in 2003. No funds are committed in 2004.

In April 1999, NYC DOT had authorized capital commitments of \$1.2 billion for 2000. By April 2000 these commitments had dropped 27 percent, to \$852.7 million. This sharp decline is primarily the result of projects being rolled over into later years. The largest city commitments for individual highway and bridge projects in 2000 are \$49.8 million for rehabilitation of the Queensboro Bridge, \$49.3 million for the reconstruction of the Honeywell Street bridge over the Sunnyside rail yards in Queens, and \$38.3 million for the reconstruction of the Williamsburg Bridge.

New York City Transit

The city's capital commitment plan for 2001-2004 contains funding for NYC Transit and the Staten Island Railway of \$767.5 million. The city's contribution includes \$345 million pursuant to an agreement through which the MTA gives its proceeds from the sale of the New York Coliseum to the city, and the city gives back an equivalent amount of general obligation bond proceeds. The city's contribution excluding the Coliseum sale is \$422.5 million.

New York City Transit is an affiliate of the Metropolitan Transportation Authority (MTA), a New York State public benefit corporation responsible for providing public transportation services in New York City and surrounding counties. NYC Transit carries over 1.2 billion subway and 500 million bus passengers per year, and has an annual operating budget of over \$4 billion.

After years of neglect, the agency began a major capital rebuilding program in the 1980s. This capital spending has been channeled through a series of multi-year plans, the most recent of which was for the period 1995-1999. From 1982 through 1999 NYC Transit spent \$19.2 billion on repairing, maintaining, and upgrading its infrastructure, with \$1.8 billion of this expenditure

occurring in 1999. In September 1999 the MTA proposed a capital plan for 2000-2004 that called for NYC Transit to spend an average of \$2.3 billion per year—\$11.5 billion in total. The MTA Capital Program Review Board rejected the proposed plan in December 1999, in part because of concerns over how it was to be financed, and because the plan contained funding for only an abbreviated version of a Second Avenue subway—from 125th Street to 63rd Street. A revised capital program was approved by the MTA Board on April 19, and by the Review Board on May 4. The revised plan increases NYC Transit's capital spending to \$12.1 billion, roughly \$2.4 billion per year. Over half (\$350 million) of the \$600 million increase is earmarked for environmental and engineering studies of a "full length" Second Avenue subway (125th Street to lower Manhattan).

NYC Transit's capital programs are financed using a combination of direct governmental subsidies, bonds backed by fares, toll revenues, and transfers from the operating budget. Although information is not available separately for NYC Transit, the revised 2000-2004 plan for NYC Transit and the commuter railroads combined relies on federal assistance to fund 29 percent of the plan, 9 percent from state assistance (proceeds from a proposed bond act), and 4 percent from city funding. Roughly 52 percent of the plan's funding will come from new MTA bond issues. An additional 5 percent of funding will come from the release of bond reserve funds, part of a proposed MTA debt restructuring.⁸ For MTA-backed debt, debt service is paid from the agency's operating budget. Debt service payments are projected to rise sharply in coming years, from roughly \$300 million per year in 1999, to around \$700 million by 2004.

In contrast, from 1992 through 1999, 44 percent of the funding NYC Transit received for its capital program came from federal assistance, while only 23 percent came from bond proceeds. Transfers from the operating budget provided 4 percent of funding during 1992-1999, but were not included in the 2000-2004 plan.

Total city capital commitments to NYC Transit for 1997-2000 were \$1.2 billion, considerably larger than the proposed 2001-2004 total. However, the \$1.2

Table 2-8.
City Capital Commitments for New York City Transit

<i>Dollars in millions</i>	1997-2000	2001-2004
Total Commitments	\$1,216.7	\$767.5
Less Adjustment For Cash-Bond Swap	(250.0)	
Less Proceeds From Coliseum Sale		(345.0)
Net Total Contribution	\$966.7	\$422.5
Net Average Annual Contribution	\$241.7	\$105.6

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

NOTE: Commitments include approximately \$1 million per year for the Staten Island Railway.

billion figure included \$500 million in city bond proceeds the city gave to the MTA in exchange for a cash payment to the city of \$250 million. Thus, the net contribution made by the city through this cash swap deal was \$250 million, and the city's 1997-2000 net total capital contribution was \$966.7 million. This is more than double the city's proposed net contribution for 2001-2004, excluding the Coliseum sale proceeds (Table 2-8).

Although the city has greatly reduced its direct contribution to NYC Transit's capital program, revenues from city taxes dedicated to NYC Transit—portions of the city Mortgage Recording Tax and Real Property Transfer Tax—have increased dramatically in recent years. These tax-supported subsidies increased from \$54 million in 1996 to \$84 million in 1997 and to \$180 million in both 1998 and 1999. The revenues enter into NYC Transit's operating budget, and are used in part to pay debt service on bonds that support the transit agency's capital program.

Housing and Economic Development

Housing

Authorized capital commitments for housing and community development projects by the Department of Housing Preservation and Development (HPD) for 2001-2004 total \$1.6 billion, of which \$1.2 billion are city funds (Table 2-9). This represents a 47.5 percent increase over housing capital commitments for 1997-2000, which are projected to total \$1.1 billion.

The largest portion of the housing capital program is for renovation prior to privatization of both occupied and vacant city-owned (*in rem*) properties, for which

Table 2-9.
Housing Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
In Rem Privatization	\$164.9	\$151.3	\$261.4	\$194.1	\$207.4	\$814.3
In Rem Renovation And Maintenance	14.7	9.0	9.0	9.0	8.0	35.0
Homeownership And Neighborhood Development	79.6	56.0	39.0	70.6	25.1	190.7
Housing Preservation Programs	57.8	75.8	83.4	81.1	76.2	316.5
Supportive Housing	72.2	39.3	31.7	24.0	14.1	109.2
All Other HPD	23.4	17.9	10.0	10.9	9.9	48.7
NYCHA Capital Subsidy	53.3	14.0	11.4	10.4	12.0	47.8
Total	\$466.0	\$363.3	\$445.0	\$400.1	\$352.8	\$1,562.3

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

HPD will spend \$814.3 million of combined city and federal funds over the next 4 years. In addition, the department will spend \$35.0 million for maintenance of *in rem* properties not yet in the privatization pipeline. In total, proposed capital spending on *in rem* properties will be \$849.3 million over the four-year period, or 56.1 percent of HPD's total capital program. The department intends to have entirely disposed of its *in rem* inventory by 2007.

Beyond the *in rem* inventory, the city's capital budget for housing is used to spur both renovation of existing buildings and new construction, to help preserve the existing private inventory in habitable condition, and to invest in neighborhood revitalization. The city works with private for-profit and non-profit partners to develop new housing or renovate vacant properties for homeownership through various programs, which are projected to consume 12.6 percent of HPD's capital plan, or \$190.7 million. HPD also uses its capital funds to provide low-interest loans for property owners to maintain and improve their properties through a variety of programs (Article 8A, Senior Citizen Home Improvement Loan, Participation Loan Program, Lead Paint Remediation loans, and other anti-abandonment initiatives), funded at \$316.5 million. Finally, HPD also helps fund the development of supportive housing for the homeless and for persons with AIDS or other disabilities (\$109.2 million).

The 2000 capital plan for HPD has increased 28 percent, or \$90.3 million, since last year's executive budget plan. Nearly half of the increase—\$44.0 million—consists of federal funds received for the

supportive housing loan program. Homeownership and neighborhood development programs have nearly doubled to \$79.7 million. Additions to the 2000 capital plan in this area include \$10.6 million for New York City Partnership housing programs, \$10.3 million for several neighborhood initiatives (Edgemere, Saratoga Square, Bradhurst, and Melrose Commons), \$6.4 million for ANCHOR, and \$3.5 million for the Nehemiah single-family home construction program. *In rem* privatization received a \$12.1 million increase, including \$9.8 million for HPD's Neighborhood Redevelopment Program and \$1.1 million for the Neighborhood Entrepreneurs Program.

NYCHA. The executive budget capital plan would provide a capital subsidy to the New York City Housing Authority (NYCHA) of \$47.8 million over four years (Table 2-10). The city makes these funds available to help compensate for declining federal capital funds for public housing, and to implement specific projects sought by the City Council and Borough Presidents. As is typically the case, the executive budget capital plan does not include additional Council funds beyond 2000 (except for a small amount in 2001). It thus likely understates the total capital subsidy the city will provide over the course of the four-year plan.

Table 2-10.
NYCHA Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Administration Plan	\$27.5	\$11.8	\$11.4	\$10.4	\$12.0	\$45.6
City Council Add-ons	23.9	1.7	--	--	--	1.7
Borough President Allocations	2.0	0.5	--	--	--	0.5
Total	\$53.4	\$14.0	\$11.4	\$10.4	\$12.0	\$47.8

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Table 2-11.
Economic Development Authorized Capital Commitments 2000-2004

Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
NYSE Site	--	\$109.0	\$102.6	\$28.4	--	\$240.0
Whitehall Ferry Terminal	\$86.3	27.7	5.0	10.0	--	42.7
Coney Island Sportsplex	--	23.0	7.0	7.0	--	37.0
Minor League Stadium-Brooklyn	5.0	26.0	--	--	--	26.0
Minor League Stadium-S.I.	3.9	31.7	--	--	--	31.7
Brooklyn Navy Yard	20.4	7.3	14.0	8.1	\$3.9	33.4
Farley Post Office	7.2	8.8	--	--	4.2	13.0
Governor's Island Redevelopment	--	--	10.0	5.0	--	15.0
Kingsbridge Armory	--	8.0	--	--	--	8.0
Other Commercial & Industrial Redevelopment	61.1	62.6	3.1	--	0.4	66.1
Modernization & Reconstruction of Piers	34.1	50.5	19.4	10.3	2.5	82.7
Neighborhood Commercial Revitalization	12.9	4.3	1.9	--	--	6.2
Non-Commercial Waterfront Development	10.8	4.5	3.5	2.6	17.6	28.1
All Other	<u>133.1</u>	<u>52.7</u>	<u>24.3</u>	<u>30.1</u>	<u>13.8</u>	<u>120.9</u>
Total	\$374.8	\$415.8	\$191.0	\$101.5	\$42.4	\$750.7

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Nonetheless, it has been difficult for NYCHA to spend the money it currently has available. The city's subsidy to NYCHA in 1999 was \$60.2 million. This included \$28.3 million in City Council capital subsidies, and \$31.1 million in mayoral capital subsidies, as well as small amounts allocated by the borough presidents. NYCHA, however, committed only \$7.4 million of those funds during fiscal 1999.

The principal reason for the gap involves a delay in signing the annual letter of agreement between NYCHA and the city detailing the projects that NYCHA will undertake, without which NYCHA cannot make capital commitments using city money. In 1999, the letter was not signed until March, nine months into the fiscal year. A second factor in the delay is that NYCHA performs its own project design and contract bidding in-house. Many of the City Council projects in particular are comparatively small in scope. This means that NYCHA must design, issue RFPs, and receive, evaluate, and award bids, for numerous projects. As a result of the delay in signing the letter of agreement, there is now a considerable backlog of projects.

For 2000, the capital commitment plan provided \$53.3 million for NYCHA, including \$23.9 million in Council add-ons. Although the letter of agreement for 2000 has been signed, further delays in actually signing

contracts for projects are likely as NYCHA catches up from last year's delayed work and attempts to implement this year's plan.

Economic Development

The Economic Development Corporation (EDC) is responsible for the acquisition and development of sites for commercial or industrial development and for commercial revitalization projects in neighborhoods and commercial corridors and centers throughout the city. EDC also develops waterfront and maritime projects. Proposed capital commitments for economic development would increase by nearly 50 percent for 2001-2004 compared to the previous four years, from \$504.2 million to \$750.7 million (Table 2-11).

Nearly a third of the planned commitments, \$240.0 million, are for a new facility currently being negotiated for the New York Stock Exchange. Commitments for this project have been increased slightly since they first appeared in the January 2000 commitment plan, but deferred from 2000 to 2001 and beyond.

Other significant projects include the development of an amateur sports complex on Coney Island, which will also be the site for the proposed Mets' minor league team stadium.⁹ Total development costs for both

The Staten Island Stadium

The Staten Island stadium project is expected to cost \$71.0 million. About a third of this total, \$21.7 million, has already been spent on land acquisition, site remediation, and a pre-construction environmental review. That expenditure came from the operating budget of the Economic Development Corporation (EDC) in 1999 and 2000. Another \$49.3 million in capital commitments are scheduled for 2000 and 2001. Most of the capital funds, \$31.6 million, are included in the EDC capital budget and the rest will come from the Department of Transportation capital budget.

Table 2-12.
Funding Sources for Staten Island Stadium

Funding Source	Timing of Expenditure	Amount	Purpose
EDC Operating Budget	FY 1999 & FY 2000	\$21.7 million	Land Acquisition, Site Remediation, Environmental Review
EDC Capital Budget	FY 2001	\$31.6 million	Stadium Construction
DOT Capital Budget	FY 2001	\$17.7 million	Construction of Stadium Infrastructure
Total		\$71.0 million	

SOURCE: IBO.

projects will be \$63.0 million. The Yankees' minor league stadium on Staten Island will also receive \$31.7 million in EDC capital funds (see box). The city contribution to the renovation of the main Post Office Building on Eighth Avenue for use by Amtrak and the Long Island Railroad is funded at \$13.0 million, with \$7.2 million projected for this year, for a total of \$20.2 million.

A new item in the executive budget capital plan is \$15.0 million for redevelopment of Governor's Island.

City Operations and Facilities

Corrections and Juvenile Justice

Authorized commitments for capital projects related to corrections and juvenile justice total \$564.8 million for 2001-04 (Table 2-13). Comparable commitments over the previous four-year period (1997-2000) totaled \$326.0 million.

Within corrections, over 90 percent of authorized commitments include various construction, refurbishment, and enhancement projects involving jail

Table 2-13.
Corrections and Juvenile Justice Authorized Capital Commitments 2000-2004

Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
Correction						
James A. Thomas Center	\$0.8	\$32.4	--	--	--	\$32.4
Construction, Refurbishment and Enhancement of Various Other Jails and Support Facilities	63.3	154.4	\$99.7	\$38.3	\$134.8	427.3
Rikers Island Infrastructure Improvements	51.3	18.2	--	--	--	18.2
Computers and Other Equipment	6.5	5.1	4.1	4.3	3.7	17.0
Subtotal, Correction	\$121.9	\$210.1	\$103.8	\$42.5	\$138.5	\$494.9
Juvenile Justice						
New Juvenile Detention Space	5.0	8.3	61.6	--	--	69.9
Total, Correction and Juvenile Justice	\$126.9	\$218.4	\$165.4	\$42.5	\$138.5	\$564.8

SOURCE: IBO, based on Executive Budget Capital Commitment Plan, Fiscal Year 2001.

and support facilities. For example, \$32.4 million is authorized for extensive renovations to the James A. Thomas Center, the oldest detention facility on Rikers Island. Also authorized are commitments of \$18.2 million for projects aimed at improving various aspects of Rikers Island's infrastructure, such as electrical, water, and fire safety systems. Finally, \$17.0 million is authorized for computers and other major equipment items.

Planned corrections commitments for 2000 have dropped from \$164.8 million as of April 1999 to \$121.9 million as of April 2000. The single most significant change was a deferral (from 2000 to 2001) of \$25.5 million in authorized commitments related to renovations to the Thomas Center.

With respect to juvenile justice, \$69.9 million is authorized for activities related to the ongoing replacement of the antiquated Spofford Juvenile Center in the Bronx.

Fire

The 2001 capital commitment plan provides the Fire Department with a total of \$376.5 million for 2001-2004 (Table 2-14). This compares to a total of \$347.2 million for the 1997-2000 period.

The department's largest spending category is \$134.3 million for vehicle acquisition—fire trucks are replaced on about a 10-year cycle and ambulances on a 5-year cycle. The department has also budgeted \$125.5 million over the period for facility improvements that include increasing the number of Emergency Medical Services (EMS) stations from 16 to 38 citywide—part of an ongoing effort to improve response times—as well as a continuing program to renovate firehouses and acquire ambulance stations. The commitment plan also includes \$91.1 million for a new NYFD training center.

Other major capital projects in the current plan include improvements to the fire alarm communications system to take advantage of additional radio frequencies given to the city for emergency systems, a joint project with the NYPD for a coordinated computer response system for police, fire, and EMS services, and an upgrade of technology in the central dispatch office for call alarm boxes.

The 2001 plan for the department totals \$212.2 million—about \$82 million above planned spending in the January 2000 capital commitment plan. The rise is due largely to an increase of \$44 million in planned spending for the new NYFD training center, an increase of \$29.1 million for facility improvements, and plans to shift \$6.4 million from 2000 to 2001 for upgrading the call alarm box system.

Planned spending in 2000 is \$10.0 million less than in the April 1999 2000 executive proposal. The decrease is largely due to shifting funding for some equipment

Table 2-14.
Fire Department Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Acquisition Of Trucks & Other Vehicles	\$16.9	\$38.8	\$34.0	\$29.9	\$31.6	\$134.3
Facilities Construction & Improvements	50.0	59.3	26.5	20.2	19.5	125.5
New NYFD Training Center	4.0	91.1	--	--	--	91.1
Fire Alarm Communication System Upgrades	24.5	15.9	0.7	0.7	0.7	18.0
Computer And Control Systems	33.0	0.6	0.3	0.2	--	1.0
Call Box Response System Upgrades	15.2	6.4	--	--	--	6.4
New Fireboats	7.8	--	--	--	--	--
All Other	0.8	--	--	--	--	0.0
Total	\$152.2	\$212.2	\$61.5	\$51.0	\$51.8	\$376.5

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

and facility improvements from 2000 into the 2001-2004 plan. The major changes in planned spending for 2000 as highlighted in the 2001 commitment plan are:

- A shift in funding of \$6.4 million in funds for equipment and call boxes for the Emergency Response System, and \$300,000 for the fire alarm communications system, to 2001;
- A reduction of \$5.1 million planned for various

facility improvements, spending for which have in general been moved into the 2001-2004 period;

- An increase of \$968,000 in 2000 in spending for the new Fire Department training center; and
- An increase of \$850,000 in 2000 for computer systems.

Table 2-15.
Police Department Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
New 66 th Pct Station House	--	\$4.8	--	\$15.8	--	\$20.5
Equip and Furnish Backup 911 Call Center	(\$19.4)	68.5	--	--	--	68.5
UHF Communications Equipment	5.0	20.3	\$18.5	\$15.7	\$16.4	70.9
Police Vehicles	1.3	9.5	4.7	3.8	8.0	26.0
Computer Equipment	3.6	4.9	2.3	2.1	8.8	18.0
All Other	<u>38.6</u>	<u>53.1</u>	<u>10.1</u>	<u>18.7</u>	<u>21.5</u>	<u>103.7</u>
Total	\$29.1	\$161.1	\$35.6	\$56.1	\$54.7	\$307.6

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Police

Authorized commitments for police-related capital projects for 2001-2004 total \$307.6 million (Table 2-15). Police-related capital commitments over the previous four-year period (1997-2000) are projected to be \$173.1 million.

Among the authorized commitments in the 2001-04 plan are \$68.5 million to equip and furnish the city's new backup 911 emergency call center, \$20.5 million for design and construction of a new station house for the 66th Precinct in Brooklyn, \$70.9 million for new ultra-high frequency (UHF) radio and telephone equipment, \$26.0 million for police vehicles of various sorts, and \$18.0 million for acquisition and installation of computer equipment.

Planned commitments for 2000 have dropped from \$129.2 million as of April 1999 to \$29.1 million as of

April 2000. The primary reason has been a decline of \$72.4 million in authorized commitments related to delays in construction of the back-up 911 call center in lower Manhattan. Of that amount, \$68.5 million is now a planned 2001 commitment.

In addition, planned 2000 commitments for ultra-high frequency (UHF) radio/telephone equipment and police vehicles have declined since April 1999 by \$12.8 million and \$7.9 million, respectively. The majority of these commitments have been deferred to future plan years.

Sanitation

The 2001 capital commitment plan provides the Department of Sanitation (DOS) with a total of \$1.0 billion for 2001-2004 (Table 2-16), more than twice the projected total of \$397.3 million for the 1997-2000 period.

Table 2-16.
Department of Sanitation Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Acquisition Of Collection Trucks & Other Vehicles	\$146.5	\$122.8	\$76.4	\$81.3	\$81.8	\$362.3
Facilities Construction	43.6	122.4	154.5	112.2	175.7	564.8
Marine Transfer Stations	10.1	12.1	--	2.5	--	14.6
Marine Unloading Plants And Truck Fills	(11.0)	27.9	--	19.7	--	47.6
Environmental Conformity	(64.9)	8.3	0.1	--	--	8.4
Computer Purchases	<u>0.9</u>	<u>1.9</u>	<u>2.1</u>	<u>0.2</u>	--	<u>4.2</u>
Total	\$125.3	\$295.3	\$233.1	\$215.9	\$257.5	\$1,001.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Table 2-17.
Department of Sanitation Capital Construction Projects 2001-2004

	2001	2002	2003	2004	Total 01-04
Sites Acquisition For Garages (Citywide)	\$4.0	--	--	--	\$4.0
Construction Of Salt Storage Sheds (Citywide)	6.2	--	--	--	6.2
Garages & Other Facilities, Construction And Improvements (Citywide)	20.7	3.0	2.7	15.2	41.6
Composting (Citywide)	(2.7)	--	2.5	--	(0.2)
Queens District 13--Garage	--	--	--	1.8	1.8
Queens District 14--Garage	2.2	30.4	--	--	32.6
Brooklyn Districts 9/14--Garage	7.9	--	--	--	7.9
Brooklyn Districts 3/3a--Garage	3.5	--	46.3	--	49.8
Brooklyn Districts 13/15--Garage	--	4.6	60.7	--	65.3
Brooklyn Districts 1/4--Garage	75.6	--	--	--	75.6
Manhattan Districts 1/2/5--Garage	--	--	--	53.3	53.3
Manhattan Districts 6/8/8a--Garage	3.5	15.0	--	105.4	123.9
Manhattan Districts 4/4a/7--Garage	--	101.5	--	--	101.5
Total	\$120.9	\$154.5	\$112.2	\$175.7	\$563.2

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Several factors contributed to the lower level of capital commitments in 1997-2000. First, in 1998 and 1999, Sanitation was unable to purchase new trucks due to a city investigation of the vendor. Sanitation normally replaces one-seventh of its truck fleet annually. As a result, the department has larger than usual capital costs for truck acquisition in 2000 and 2001 to catch up on its replacement schedule, returning to the normal replacement cycle in 2002. Under the current four-year plan, more than one-third of Sanitation's projected spending is for acquiring collection trucks, other vehicles, and the parts needed to maintain and repair the existing stock.

In addition, Sanitation's capital plan for 2000 is lower than in subsequent years as the department shifts \$76.5 million in projects related to the Fresh Kills landfill to the expense budget. With Fresh Kills scheduled to close in January 2002, the City Comptroller has ruled that some construction projects previously included in the capital budget were no longer eligible. This is because these items can no longer be supported with long term debt since the repayment period would be longer than the landfill's useful life. This includes \$64.9 million in funds for projects to conform to state landfill site

Impact of the Draft Comprehensive Solid Waste Management Plan on Capital Commitments

On May 3, 2000, the Department of Sanitation released a draft proposal for long-term waste export following the closure of the city's Fresh Kills landfill in January 2002. The plan proposes a variety of different facility arrangements (e.g., marine transfer stations, container to rail facilities) to support transferring and exporting the city's garbage. Some of the proposed arrangements (for example, converting marine transfer stations) could alter current planning for capital projects and add to the capital budget before the end of the current four-year plan period. Under the solid waste plan, however, many of the facility arrangements—including a major waste transfer station in Linden, New Jersey—would be built privately by vendors contracting with the city to receive Department-managed waste. As a result, capital costs for these facilities would be absorbed by the vendors and passed on to the city via tipping fees that would become part of the overall waste export cost, but would not add to the city's capital budget. Estimates for construction, equipment, operations, and maintenance to modify or build facilities are pending debate and analysis of the draft long-term waste export plan.

regulations, such as the phase-in of a leachate control system, which collects and treats contaminated water that seeps out of the landfill.

For 2001-2004, the major components of Sanitation's capital budget are construction and rehabilitation projects for garages and other facilities, including composting facilities, (\$564.8 million, or 56 percent of the 2001-2004 total) and vehicle acquisition and maintenance (\$362.3 million, or 36 percent of the total). Proposed spending for facility construction includes 12 new and ongoing garage construction and rehabilitation projects. Table 2-17 provides a summary of spending for construction projects during the 2001-2004 period.

Planned spending in 2000 is \$13.3 million less than in the 2000 executive proposal submitted in April 1999. The decrease is largely due to shifting funding for garage construction and rehabilitation from 2000 into the 2001-2004 plan. The major changes in planned spending for 2000 as highlighted in the 2001 commitment plan are:

- A reduction of \$19.4 million planned for various garage and facility construction projects, spending for which have in general been moved into the 2001-2004 period;
- A reduction of \$1.9 million (from \$12.0 million to \$10.1 million) in spending to rehabilitate marine transfer stations due to lower than expected bids on the marine borer project;

- A reduction of \$7.0 million in state funds for vehicle acquisition, which has been deferred to 2001.

Parks and Recreation

The Department of Parks and Recreation's proposed capital program totals \$468.4 million over the four-year plan period (see Table 2-18). Projected total commitments for 1997-2000 are \$746.9 million.

Over half of the planned commitments—\$242.3 million—are scheduled for 2001. The low level of proposed commitments for 2002 to 2004 can be explained in part by the process through which the City Council and Borough Presidents add funding for specific park and recreation facilities to the current year capital budget. As a result, very little City Council or Borough President funding is currently included for 2002 and beyond. In the current plan, the only non-mayoral money for 2003 or 2004 was included by the Brooklyn Borough President for work on Prospect Park (\$5.5 million) and Coney Island boardwalk comfort stations (\$1.8 million). It is thus likely that the proposed four-year plan total understates what the final total will be. Conversely, the currently projected commitments for fiscal year 2000 of \$233.8 million are unlikely to be fully realized, and some of that amount will be rolled forward into future years.

Major initiatives in the April commitment plan include:

Hudson River Park—a joint city-state project to construct a park stretching from Battery Park City to

Table 2-18.
Parks and Recreation Authorized Capital Commitments, 2000-2004
Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
Major/Highlighted Initiatives						
Hudson River Park	\$3.6	\$21.0	\$69.0	\$4.4	\$0.0	\$94.4
Flushing Meadows Park Pool	5.0	10.5	0.0	0.0	0.0	10.5
Coney Island Boardwalk	1.1	13.9	0.0	0.0	1.8	15.7
East River Park	1.5	4.4	0.0	0.0	0.0	4.4
Other Mayoral Initiatives	111.5	81.3	56.4	33.8	41.3	212.8
Other Council & BP Initiatives	111.2	110.1	13.8	0.0	5.5	129.4
Miscellaneous	<u>0.1</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.2</u>
Total	\$233.8	\$242.3	\$139.2	\$38.2	\$48.6	\$468.4

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

59th Street along Manhattan's West Side waterfront. Much of the city money originally appropriated for 2000 and 2001 has been pushed off to 2002 as a result of project delays.

Table 2-19.
Cultural Affairs Authorized Capital Commitments, 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Museum of Modern Art	\$35.0	\$30.0	\$0.0	\$0.0	\$0.0	\$30.0
DCA Lincoln Center Projects	21.1	27.1	24.0	24.4	24.0	99.5
Metropolitan Museum of Art	8.7	5.4	5.0	5.0	5.0	20.4
Museum of Jewish Heritage	6.8	6.0	10.0	0.0	0.0	16.0
New York Botanical Garden	4.9	4.3	3.4	1.9	2.9	12.5
Carnegie Hall	4.6	3.6	0.0	0.0	0.0	3.6
Center for Jewish History	3.0	3.0	4.0	0.0	0.0	7.0
Other Cultural Affairs	154.1	73.1	30.1	11.9	5.4	120.5
Total	\$238.0	\$152.5	\$76.5	\$43.3	\$37.3	\$309.6

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Flushing Meadows Park

Pool—a joint venture between the Mayor and the Queens Borough President to build a new indoor pool in Flushing Meadows Park.

Coney Island Boardwalk—renovation of the existing boardwalk, including concession stands and comfort stations.

East River Park—a smaller version of the Hudson River Park for Manhattan's East Side waterfront, stretching from Montgomery Street to East 12th Street.

group for rehabilitation and renovation of the city-owned buildings they occupy. One major exception to this policy in the current commitment plan is money for an addition to the Museum of Modern Art, which is not a member of the cultural institutions group and does not occupy a city-owned building.

Cultural Affairs

The Department of Cultural Affairs' proposed capital program totals \$309.6 million over the four-year plan period (Table 2-19). Many of the larger cultural capital initiatives highlighted in the executive budget are carried over from previous commitment plans. One major exception, however, is the \$96.0 million proposed funding for a Lincoln Center master plan (see box on the next page).

Libraries

There are three library systems in the city: the New York Public Library, which operates branches in Manhattan, the Bronx, and Staten Island, as well as running the citywide Research Libraries system; the Brooklyn Public Library; and the Queens Borough Public Library. Together, their authorized capital commitment levels total \$77.9 million for the capital plan period (Table 2-20). Projected capital commitments for 1997-2000 are \$171.5 million.

Most of the Department of Cultural Affairs' capital budget goes to members of the cultural institutions

Historically, a large portion of the capital budget for libraries has come from the City Council and the Borough Presidents. Allocations by the Council and Borough Presidents account for nearly 80 percent of

Table 2-20.
Libraries Authorized Capital Commitments, 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
NYPL—Research	\$15.1	\$23.2	\$4.1	\$0.8	\$0.0	\$28.1
NYPL	55.1	16.6	1.9	1.5	1.1	21.1
Brooklyn PL	19.5	11.3	2.0	1.6	2.6	17.6
Queens Borough PL	7.9	9.1	0.7	1.0	0.4	11.2
Total	\$97.5	\$60.2	\$8.8	\$4.9	\$4.1	\$77.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Table 2-21.
NYPL Adopt-A-Branch Library Capital Commitments

<i>Dollars in millions</i>	2000	2001	Total
Inwood	\$0.0	\$3.3	\$3.31
Mott Haven	2.6	0.0	2.6
George Bruce	3.7	0.0	3.7
Muhlenberg	1.3	1.2	2.5
Ottendorfer	0.3	1.6	1.9
Chatham Square	<u>0.0</u>	<u>1.5</u>	<u>1.5</u>
Total	\$7.9	\$7.6	\$15.5

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

projected capital commitments in the 1997-2000 period. Thus, total 2001-2004 commitments are likely to increase as these officials add particular projects.

Major planned commitments during the period 2001-2004 include \$12.6 million for the NYPL Central Library, \$18.6 million for the Lincoln Center Library for the Performing Arts, \$4.5 million for the new Bronx Borough Center, and \$15.5 million for completion of construction and renovations to NYPL branch libraries under the Adopt-A-Branch Program (see Table 2-21). The Adopt-A-Branch program has traditionally served lower-income neighborhoods and uses private funding to leverage public funding from City Council members and Borough Presidents for branch renovation. Six branches are currently undergoing renovation. Completion of the projects is expected in Spring or Summer 2000. Money in the capital commitment plan for 2001 will likely be used to reimburse the NYPL for expenses incurred during construction.

Lincoln Center Projects

The capital commitment plan includes \$143.9 million for the Lincoln Center campus between 2001 and 2004. This includes both continuing projects, such as renovation of the plaza, and new projects, like the Lincoln Center master plan. These projects include capital commitments from the Department of Cultural Affairs, the New York Public Library, and the Department of Parks and Recreation.

A recent Lincoln Center capital needs assessment determined that as much as \$1.5 billion of work on the Lincoln Center campus is needed to maintain existing infrastructure and ensure that facilities are state-of-the-art. While the city has frequently been involved with routine maintenance and upgrades of Lincoln Center facilities, this is the first time in Lincoln Center's 40 year history that capital projects of this magnitude have been envisioned.

An additional \$15.1 million of capital commitments are planned for Jazz at Lincoln Center's new performance and education facility, located off of the Lincoln Center campus at Columbus Circle.

Table 2-22.
Lincoln Center Funding, 2000-2004
Dollars in millions

Agency	Project	2000	2001	2002	2003	2004	Total
DCA	Lincoln Center Master Plan	--	\$24.0	\$24.0	\$24.0	\$24.0	\$96.0
DCA	Lincoln Center – Misc.	7.0	--	--	--	--	7.0
DCA	New York State Theater	2.0	0.1	--	0.4	--	2.5
LIB	Library for Performing Arts	--	14.5	4.0	--	--	18.6
DPR	Damrosch Park	0.1	-	--	--	--	0.1
DPR	Lincoln Center Park	4.6	--	--	--	--	4.6
DCA	Jazz at Lincoln Center	<u>12.1</u>	<u>3.0</u>	--	--	--	<u>15.1</u>
	Total	\$258	\$41.6	\$28.1	\$24.4	\$24.0	\$143.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

NOTE: DCA: Department of Cultural Affairs, LIB: Libraries, DPR: Department of Parks and Recreation.

Table 2-23.
Courts Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total
Brooklyn Criminal and Family Court Complex	--	\$300.0	--	\$30.0	--	\$330.0
Bronx Criminal Court	\$67.0	129.5	\$15.5	22.6	--	167.6
Manhattan Supreme Court	1.2	90.7	87.9	14.3	\$14.4	207.4
Manhattan Court Facility @ 111 Centre Street	0.8	14.1	--	103.4	13.4	130.9
Brooklyn Civil Court	0.2	0.9	7.9	--	65.5	74.3
Bronx Court Facility @ 851 Grand Concourse	30.9	1.2	7.9	--	64.9	73.9
Queens Criminal Court Annex	0.8	65.8	5.2	5.2	--	76.2
All Other	<u>121.0</u>	<u>182.6</u>	<u>73.9</u>	<u>72.5</u>	<u>171.5</u>	<u>500.6</u>
Total	\$191.9	\$784.8	\$198.3	\$248.0	\$329.7	\$1,560.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Together two projects account for nearly 75 percent of proposed Queens Borough capital commitments for 2001: the Long Island City Branch (also known as the East River Branch), at \$3.2 million, and the Cambria Heights Branch, at \$3.4 million.

In Brooklyn, site acquisition and construction of the new Kensington branch library totals \$3.1 million in commitments, while rehabilitation of the Williamsburg branch receives \$3.0 million.

Courts

Authorized commitments for court-related capital projects total \$1.6 billion for the 2001-04 time period (Table 2-23). Comparable commitments over the previous four-year period (1997-2000) totaled \$273.1 million. The very high level of authorized

commitments within the courts capital program for 2001-04 reflects priorities established in the city's recently drawn up Court Facilities Master Plan. The plan recommends the renovation of numerous existing court buildings, as well as the construction of several new facilities. Pursuant to a 1993 agreement between the city and the state, the city's capital program for the courts is entirely financed through the New York State Dormitory Authority (DASNY), with revenue bonds issued by DASNY and repaid by the city.

Among the authorized commitments in the 2001-04 plan are \$330.0 million for construction of a Brooklyn Criminal and Family Court complex, \$207.4 million for construction of a new Manhattan Supreme Court facility, \$167.6 million for a new Bronx Criminal Court building, \$130.9 million for renovations to the existing court facility at 111 Centre Street in Manhattan, and \$76.2 million for a Queens Criminal Court Annex.

Table 2-24.
HHC Authorized Capital Commitments 2000-2004

Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
Bellevue Hospital Center	\$0.0	\$10.0	\$5.0	\$65.0	\$79.0	\$159.0
Kings County Hospital Center	8.1	18.1	30.7	67.7	25.6	142.1
OCME DNA Lab	2.6	97.1	0.0	26.5	0.0	123.6
Queens Hospital Center	69.4	29.8	2.0	0.0	0.0	31.8
Emergency Medical Services Equipment	45.6	14.5	9.9	21.4	16.8	62.7
Hospital Improvements	12.0	1.1	0.0	0.0	0.0	1.1
Equipment Purchases	<u>6.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	\$144.1	\$170.7	\$47.6	\$180.6	\$121.4	\$520.3

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Hospitals, Health, and Social Services

Health and Hospitals Corporation

The Health and Hospitals Corporation (HHC) was created by legislation in 1970 as a public benefit corporation to operate the city's public health care system, replacing the New York City Department of Hospitals. HHC hospitals provide medical, mental health, and substance abuse services to all patients regardless of their ability to pay.

The capital commitment plan provides \$520.3 million for hospital construction over the next four years, 2001 to 2004, more than double the projected \$253 million for 1997 to 2000 (Table 2-24). Capital improvements to the hospital system will help prepare HHC for the expansion of managed care and rising competition for Medicaid recipients by facilitating more efficient operations, downsizing inpatient facilities, and consolidating related services.

The executive plan includes two new capital projects. First, the city plans to spend \$159 million modernizing Bellevue Hospital Center by constructing a new ambulatory care building to provide general and specialty care, ambulatory surgery, and other services. The project also includes consolidating six intensive care units onto one floor, converting four-bed inpatient hospital rooms in the medical/surgical units to one- or two-bed rooms, upgrading of the 30-year-old heating, ventilation, and air conditioning systems, and other infrastructure improvements.

The second project involves a new DNA laboratory for the Office of the Chief Medical Examiner. The lab will be constructed at Bellevue Hospital Center at a cost of \$123.6 million.

The HHC executive capital commitment plan will fund the completion of the second of four phases of the

redevelopment of Kings County Hospital Center (\$142.1 million) and the completion of a major redevelopment project at Queens Hospital Center (\$31.8 million). Capital funds will also be used to purchase ambulances for emergency medical services (\$62.7 million) and for Council-initiated improvements at various locations (\$1.1 million).

Planned commitments in the current fiscal year are \$144.1 million, a 126 percent increase over the April 1999 executive capital commitment plan of \$64.0 million for 2000. The rise is due to a funding increase for Queens Hospital Center from \$8.2 million under

Table 2-25.
Department of Homeless Services Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Single adult homeless shelters	7.4	40.8	25.7	6.2	13.5	86.2
Homeless family congregate facilities	1.4	16.1	5.0	5.7	6.7	33.6
Purchase of equipment	1.8	0.3	0.1	0.3	0.3	0.9
Improvements to DHS structures	5.0	=	=	=	=	=
Total	15.7	57.2	30.8	12.1	20.4	120.6

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

the 2000 plan to \$69.4 million under the current plan. Additional causes for the rise stem from increased commitments for Kings County Hospital Center, several other hospital improvement projects, equipment purchases, and new allocations for the design phase of the Office of the Chief Medical Examiner's DNA lab.

Department of Homeless Services

The Department of Homeless Services (DHS) partners with public and private agencies to provide temporary emergency shelter for eligible homeless people. In the April 2000 capital commitment plan, the city has allocated \$120.6 million to DHS over the four-year period, 2001 to 2004 (Table 2-25). The plan will fund construction and renovation for single adult shelters (\$86.2 million) and homeless family facilities (\$33.6 million), and the purchase of equipment (\$0.9 million).

Capital expenditures in the 2001 executive plan will fund the development of a new adult facility on the Willow Avenue site to replace the existing building

(\$6.3 million). Plans for improvements to congregate facilities include design and construction of the first phase of the Auburn Tier II site conversion (\$6.1 million). Capital funds will also be used for building upgrades and renovations at many sites, including: 68 Lexington Avenue Armory (\$7.5 million), Park Slope Armory (\$6.6 million), Kingsboro facility (\$5.5 million), Bedford Atlantic Armory (\$3.3 million), 78 Catherine Street facility (\$3.3 million), Franklin Armory (\$3.0 million), and the Regent Family Residence (\$2.6 million). DHS also plans to use capital funds to purchase equipment for computer network expansion and additional department vehicles.

The April 2000 capital commitment plan indicates that the city plans to spend \$15.7 million on DHS projects in fiscal year 2000. This is a 40 percent decrease from the April 1999 capital commitment plan that committed \$26.2 million for DHS projects in 2000. In the 2000 plan, the city had planned to spend \$16.6 million on single adult shelters, \$6.2 million on family congregate facilities, \$1.8 million on improvements of structures for use by DHS, and \$1.6 million on equipment purchases. Several renovation and upgrade projects on adult shelters were delayed including ones at the Brooklyn Drop-in Center, the Atlantic Avenue Armory, and the Camp LaGuardia facility. On the family shelter side, the Dean Street facility, the Regent Family residence, and the 78 Catherine Street facility have all been delayed until next year. However, the city finished construction early on its 60 Broad Street leased space that was supposed to be completed in 2001.

Human Resources Administration

The 2001-2004 capital commitment plan for HRA totals \$64.7 million (Table 2-26). Improvements to HRA structures will total \$32.1 million. The improvements include a wide range of projects around the city at various job centers, group homes, day care centers, congregate care centers, and HRA headquarters. Some of the enhancements that HRA is undertaking include plumbing, heating, masonry work, electrical work, elevators, fire safety, roof repair, and new furniture purchases. Although this work is

Table 2-26.
Human Resources Administration Authorized Capital Commitments 2000-2004
Dollars in millions

	2000	2001	2002	2003	2004	Total 01-04
Improvements to HRA Structures	\$68.1	\$28.5	\$2.2	\$1.2	\$0.2	\$32.1
Computer Equipment	49.7	7.3	6.1	3.1	6.3	22.8
Private Branch Exchange (WAN)	9.5	2.5	1.3	2.5	3.3	9.7
Other Equipment	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>
Total	\$127.4	\$38.4	\$9.7	\$6.8	\$9.9	\$64.7

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

projected to drop off considerably after 2001, it is likely that some of the work will be deferred to future years. The City Council and Borough Presidents may also add funds for specific projects and programs.

The balance of capital plan funds will be allocated for improvements in HRA's information systems: \$22.8 million is allocated for computer equipment purchases, and an additional \$9.7 million is programmed for development of a wide-area network linking HRA sites.

Planned commitments for 2000 have increased \$52.6 million over the plan submitted for 2000 in April 1999. While a small portion of the increase reflects projects rolled over from 1999, the remainder is the result of new or enhanced projects. Nearly \$18.0 million was allocated for improvements to HRA structures that were not included in the plan submitted in 1999. In addition, \$28.9 million was added to a prior allocation of \$1.9 million for the purchase of computer equipment that is to be part of a paperless office system.

Department of Health

The proposed Department of Health executive capital commitment plan provides \$44.6 million between 2001 and 2004 (Table 2-27). Nearly half of this amount—\$22.0 million—will fund projects under the Office of the Chief Medical Examiner (OCME). Projects include \$10.1 million for the construction of a new mortuary on the Kings County Hospital campus. The new High Sensitivity DNA laboratory on the Bellevue Campus will be financed with \$3.5 million. The new lab is slated to open its doors in January of 2001. (Funding for a new, consolidated freestanding DNA laboratory, also to be housed at Bellevue, is included in the Health and Hospitals Corporation capital plan, as described above.)

The remaining \$22.6 million to be committed from

Table 2-27.
Department of Health Authorized Capital Commitment, 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
OCME High Sensitivity DNA Lab	\$7.3	\$3.5	--	--	--	\$3.5
OCME Kings County Mortuary	-	1.3	3.0	3.0	2.8	10.1
Other OCME Facilities	2.8	2.6	4.5	0.9	0.4	8.4
Health and Dental Clinics	8.7	3.7	0.7	-	1.1	5.5
Pest Control	1.2	1.5	1.1	0.8	-	3.3
Animal Shelters	0.8	4.2	2.0	--	2.0	8.2
Lead Prevention Program	2.1	0.1	--	--	--	0.1
HIV Partner Notification System	6.4	--	--	--	--	-
All Other DOH	<u>23.4</u>	<u>3.2</u>	<u>0.9</u>	<u>--</u>	<u>1.3</u>	<u>5.6</u>
Total	\$52.7	\$20.1	\$12.2	\$4.7	\$7.6	\$44.6

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

2001 through 2004 will fund numerous projects including the renovation of health clinics, purchase of equipment and vehicles, and the implementation of computer systems. Some highlights include financing for improvements to various health clinics (\$8.4 million, including \$1.4 million for three dental clinics), pest and vector control surveillance systems (\$3.3 million), and animal shelters (\$8.2 million).

Planned commitments in the current year total \$52.7 million, a two-fold increase over planned commitments of \$26.3 million contained in the April 1999 commitment plan. From the April 1999 to the April 2000 capital commitment plan, DOH added \$26.4 million in capital projects. The largest is the new OCME High Sensitivity Lab totaling \$7.3 million in 2000. The HIV Partner Notification System (\$6.4 million) was put into place this year to begin mandatory reporting of HIV/AIDS cases in early 2001. The Lead Poisoning Prevention Program received \$2.1 million to begin implementing measures related to Local Law 38 of 1999. The bulk of added commitments in the current year will go towards the renovation of various DOH-owned

buildings, computer upgrades, plumbing replacement, elevator rehabilitation, and the Primary

Care Development Corporation.

Administration for Children's Services

The 2001-2004 capital commitment plan for ACS totals \$48.2 million (Table 2-28). Almost half of the funds—\$23.6 million—are planned for 2001.

Planned capital projects include renovation of congregate care facilities (\$10.2 million) and new construction for three day-care facilities (\$7.8 million). The plan also provides \$12.5 million for construction, furniture, equipment, and other costs associated with moving the Agency for Child Development (ACD) from its current Brooklyn office to downtown Manhattan.

Finally, \$17.7 million—37 percent of planned commitments—is provided for various computer projects, including agency wide- and local-area networks (\$10.6 million), a data warehouse (\$3.2 million), and computers for childrens' centers (\$2.5 million).

Table 2-28.
Administration for Children's Services Authorized Capital Commitment, 2001-2004

<i>Dollars in millions</i>	2001	2002	2003	2004	Total
Facilities For Preventive, Protective, And Foster Care Services	\$3.5	\$2.4	\$2.2	\$2.2	\$10.2
ACD Child Care Facilities	2.0	2.8	--	3.1	7.8
Relocation Of ACD	9.2	1.6	1.6	--	12.5
Computer Equipment	<u>8.9</u>	<u>2.7</u>	<u>1.8</u>	<u>4.3</u>	<u>17.7</u>
Total	\$23.6	\$9.5	\$5.6	\$9.6	\$48.2

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Table 2-29.
Department for the Aging Authorized Capital Commitments 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Senior Center Rehab, Repair, and Renovation	\$5.6	\$11.9	\$2.4	\$3.2	\$2.4	\$19.9
Autos, Computers, and Other Equipment	<u>2.1</u>	<u>1.6</u>	<u>0.2</u>	<u>0.2</u>	<u>1.0</u>	<u>3.0</u>
Total	\$7.7	\$13.5	\$2.6	\$3.4	\$3.4	\$22.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Prior to the 2001 capital plan, ACS capital funding was included in the Department of Social Services capital plan. ACS, however, does project that it will make commitments of \$2.7 million in 2000 for computer system purchases and renovation of congregate care and child care facilities.

Department for the Aging

The Department for the Aging (DFTA) 2001 executive capital commitment plan outlines \$22.9 million in capital spending for the next four years (Table 2-29). Approximately 87 percent of these funds are for rehabilitation, renovation, and repairs to roughly 84 senior centers. Out of the remaining funds, \$2.8 million will go towards replacement of computers at senior centers city-wide and \$0.2 million will be used for the purchase of vans for senior centers.

Since the April 1999 2000 Executive Capital Plan, DFTA planned commitments for 2000 have fallen \$2.4 million, to \$7.7 million in the current plan. The decrease is attributable to deferred renovation and rehabilitation of senior centers. Last year, DFTA projected commitments at \$8.6 million for repairs to senior centers but the current plan provides \$5.6 million to fund such projects.

Property and Equipment

The city purchases and upgrades property and equipment for citywide administrative use. This includes construction, renovation, and capital leasing of office and other space for city agency use (\$429.5 million), computer and telephone equipment (\$526.9 million), and purchase and management of various city-owned properties (\$39.4 million).

Table 2-30.
Citywide Property and Equipment Capital Commitment Plan, 2000-2004

<i>Dollars in millions</i>	2000	2001	2002	2003	2004	Total 01-04
Public Buildings	\$135.6	\$226.7	\$78.2	\$60.9	\$63.7	\$429.5
Computer Equipment	317.3	259.5	105.9	61.6	50.2	477.2
Dept of Info Technology & Telecommunications	43.2	24.7	8.8	6.2	10.0	49.7
Real Property	<u>8.6</u>	<u>17.1</u>	<u>8.4</u>	<u>8.4</u>	<u>5.4</u>	<u>39.4</u>
Total	\$504.8	\$528.1	\$201.3	\$137.1	\$129.4	\$995.9

SOURCE: IBO, based on *Executive Budget Capital Commitment Plan, Fiscal Year 2001*.

Endnotes

¹For a more detailed discussion of the rationale for separate capital budgets, see John L. Mikesell, *Fiscal Administration*, 4th ed. (New York, Harcourt Brace, 1995) pp.220-223.

²IBO estimated planned commitments based on the ratio of total planned commitments to total authorized commitments for each year, with the exception that planned commitments for the MTA and the SCA are anticipated to equal their authorized commitments. For all other agencies, the ratio of planned to authorized commitments is equal across agencies.

³The components of the Board's plan actually total to \$7.363 billion, or \$188 million more than the plan total of \$7.175 billion. The total will be reduced to \$7.175 billion over the course of 2000 and 2001, as the Mayor and the City Council determine which projects under their discretion will be funded.

⁴In his 1998 report, *Dilemma in the Millennium*, the City Comptroller estimated that it would cost \$10.4 billion to bring existing school buildings to a complete state of good repair by the year 2007.

⁵The net number of seats added will likely be lower, as a certain number of seats are lost each year due to school closings, lease expirations, and other circumstances.

⁶Medgar Evers College has a unique status. In 1994, when the state elevated Medgar Evers to a four-year-degree institution, it did not change its capital funding status from that of a two-year college. Legislation is currently pending to have the state treat Medgar Evers the same as all other CUNY senior colleges, by paying 100 percent of its capital costs.

⁷Franchise transportation refers to private buses that provide local and express service in the city under contract to NYC DOT, and receive operating and capital subsidies from NYC DOT.

⁸For a detailed discussion of the MTA's proposed capital financing plan, see *Inside the Budget* No. 62, April 14, 2000.

⁹The city plans for an additional \$30 million for amenities in the area immediately surrounding the stadium site, mainly on the Coney Island Boardwalk. These improvements are intended to benefit boardwalk users in general and are not included in the cost of the stadium.

Contributors To This Report

Aging	Rebecca Hernandez	442-8619
Children's Services	Tammy Morales	676-9247
Corrections	Bernard O'Brien	442-8656
Courts	Bernard O'Brien	442-8656
Cultural Affairs	Courtney Wade	442-1524
CUNY	Robert Weiner	442-0332
Economic Development	Stephen Mark	442-8640
Education (BOE)	Martha Prinz	On leave
Education (BOE)	Courtney Wade	442-1524
Environmental Protection	Preston Niblack	442-0220
Fire	Christine Lidbury	442-8612
Health (Department of)	Rebecca Hernandez	442-8619
Health and Hospitals Corporation	Joshua Chang	442-8617
Homeless Services	Joshua Chang	442-8617
Housing	Preston Niblack	442-0220
Human Resources Administration	Keith Goldfeld	676-9248
Juvenile Justice	Bernard O'Brien	442-8656
Libraries	Courtney Wade	442-1524
Parks and Recreation	Courtney Wade	442-1524
Police	Bernard O'Brien	442-8656
Property and Equipment	Preston Niblack	442-0220
Sanitation	Christine Lidbury	442-8612
Transportation	Alan Treffeisen	442-8614

This report was completed under the supervision of Preston Niblack, with technical expertise and support provided by Richard Greene.

Independent Budget Office

Ronnie Lowenstein, Deputy Director

110 William Street, 14th Floor

New York, New York 10038

Phone # (212) 442-0632

Fax # (212) 442-0350

www.ibo.nyc.ny.us

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