



## Does City Capital Spending Match the 10-Year Strategy?

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#### SUMMARY

Every even numbered fiscal year the Mayor is required to issue a report that outlines the city's 10-year strategy for investing in the city's capital needs. The most recent Ten-Year Capital Strategy covered the years 2006-2015 and included \$62.4 billion in spending on projects that ranged from new school construction to fixing sewers and streets. But despite the size of the spending involved and the importance of the projects, there is limited reporting on whether actual capital spending has followed the 10-year strategy.

This report is the first attempt to compare actual spending to the 10-year strategy. IBO tracked capital commitments from 2000 through 2006 as compared to the 10-year strategy issued in 2000, taking into account subsequent changes to the plan. In doing this we focused on the three investment categories used in the 10-year strategy—state of good repair, programmatic replacement, and program expansion.

State of good repair projects involve fixing city facilities and infrastructure, such as new roofs or windows for schools or repaving city streets. Programmatic replacement projects involve replacing equipment or facilities as they become outmoded, whether a wastewater treatment plant or a fire truck. Program expansion projects add city facilities such as the construction of new schools or libraries or acquisition of new parkland.

Overall, actual capital spending was consistent with the plan, but in numerous specific areas spending deviated substantially from planned amounts. Among our findings:

- The city committed \$41.9 billion to capital projects during 2000-2006, \$4.6 billion more than had been planned in the strategy issued in 2000.
- Although it might seem likely that expansion projects would meet or exceed planned funding, in fact it was the only investment category in which spending was below plan—by \$359 million out of the \$10 billion expected.
- Spending on state of good repair projects exceeded the \$17.4 billion expected in the 2000 strategy by \$1.2 billion.
- Spending on programmatic replacement projects exceeded the \$9.8 billion expected in the plan by \$3.7 billion, or nearly 40 percent.

While we have not evaluated the reasons for differences between planned and actual capital spending, some deviation can be expected given the timeframe involved and the circumstances that may arise over that span. Still, the difficulties in tracking changing plans and in evaluating the city's progress in meeting its capital plan goals highlight a need for more attention to, and reporting on, the city's capital program.

## INTRODUCTION

New York City annually makes several billion dollars in capital investments to rehabilitate, maintain, and expand the public infrastructure of the largest and one of the oldest cities in the country. The city's capital needs are immense and very diverse, ranging from the construction of schools to the development of emergency communications systems, from repaving city streets to redeveloping underutilized publicly owned property. Over 20 different agencies maintain distinct capital budgets and each of them face the challenge of balancing the competing needs of investing in new capacity versus restoring and maintaining existing assets in a state of good repair to obtain the most from them.

The city develops a long-term capital strategy—called the Ten-Year Capital Strategy, or, for short, the 10-year plan—every even-numbered fiscal year. The 10-year plan is intended to serve as a framework and guide for capital investment, taking into account long-term trends and needs in the city's physical development. A preliminary plan is issued in January and a final plan released in April in conjunction with the Mayor's Executive Budget. (A more detailed overview of the capital budget process is provided in IBO's *Understanding New York City's Budget: A Guide to the Capital Budget*.) The data in this report are based on the 10-year strategies issued in conjunction with the Executive Budget.

Despite a process designed to guide capital investment decisionmaking in a larger, strategic framework, reporting on what capital funds have actually been spent on—how well they reflect priorities laid out in the capital budget and plans, or why they deviated—is limited. The four-year capital commitment plans updated three times a year by the Office of Management and Budget show what was spent over the previous four years only in very broad categories (the entire exhibit consists of a single page). There is very limited publicly available reporting in greater detail, and what exists is difficult to use and understand. There is limited reporting on capital spending in terms of the priorities laid out in each Ten-Year Capital Strategy.

Using reports developed with the assistance of the Financial

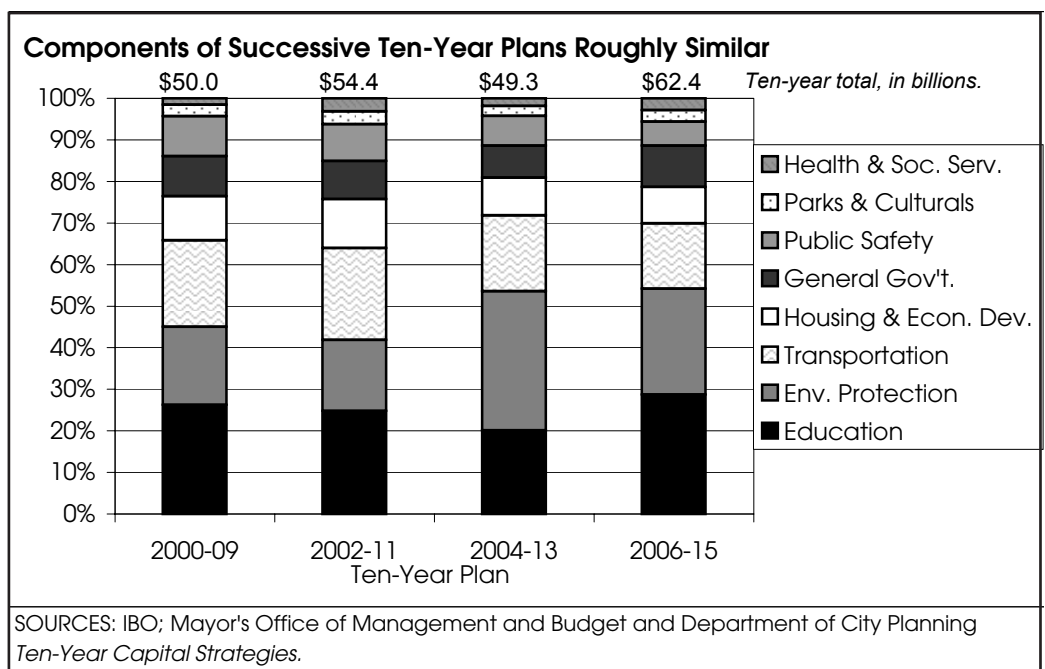
Information Services Agency, and drawing from the city's Financial Management System data, IBO is able here to present for the first time an historical series of actual capital commitments in the same categories presented in the 10-year plans. The focus is on reviewing actual commitments and comparing them to the plan. Hence, the analysis does not evaluate the appropriateness of the plans themselves, given the capital infrastructure needs of the city, nor does it determine whether the amounts of investment were sufficient to effectively meet these needs.

The data used in this analysis were derived from the city's Financial Management System database and the Ten-Year Capital Strategies released by the Mayor's Office of Management and Budget and the Department of City Planning.<sup>1</sup> The analysis of capital commitments by capital investment categories follows the categories set in the report.

## THE TEN-YEAR CAPITAL PLAN

By and large, the broad outlines of the four capital strategies developed since 2000 are similar. Three major program areas predominate—environmental protection, education, and transportation—and between them make up on average two-thirds of the total plan.

The general pattern was somewhat interrupted in the 2004-2013 plan, for two principal reasons. First, the plan was prepared in the aftermath of 9/11 and the fiscal crisis that followed. The capital plan was thus scaled back in a number of areas. The one exception, however, was the plan for the Department



of Environmental Protection (DEP), which developed and presented a detailed long-term strategy that included significant new investments in the aging water supply infrastructure. In sharp contrast to most other agency capital programs in the 2004 plan, DEP's 10-year plan grew by almost 80 percent over its previous level.<sup>2</sup>

By the time the 2006-2015 plan was presented in the spring of 2005, the city's fiscal fortunes had undergone a remarkable turnaround. The improved fiscal outlook, coupled with the expectation of considerable additional state funding for school construction, resulted in a 10-year plan of \$62.4 billion—an increase of more than 25 percent from the plan of two years earlier.

**Setting Priorities: State of Good Repair, Replacement, and Expansion.** The biennial 10-year plans also present the capital program in terms of what we will call *investment categories*. The three categories are: state of good repair; programmatic replacement; and program expansion.

*State of good repair* projects are generally reconstruction and rehabilitation projects that are intended to bring deteriorated capital assets up to a state of “beneficial use” and to prevent further degradation. *Programmatic replacement* capital projects are intended to maintain a state of good repair by replacing capital assets that have reached the end of their useful lives on a regular, orderly schedule. This may include system improvements to reflect current generation technology or design upgrades. Finally, *program expansion* projects are new assets that expand existing capacity or meet new needs or mandates.

If the city is making progress in its capital program, one should expect over time to see a shift in emphasis from state of good repair to replacement, indicating that assets are being brought up to a state of good repair, and then replaced regularly. In fact, in the evolution of 10-year plans over the last seven years, we do see a slight decline in the share of the total capital program devoted to state of good repair (from 49 percent to 45 percent), and an increase in replacement (from 23 percent to 26 percent). Although both categories have risen in absolute terms, the growth rate of state of good repair investments is slower than the growth of the capital plan as a whole, while that of programmatic replacement is faster. By itself, this may not necessarily indicate that progress is being made, but as we will in the following analysis, the planned level of state of good repair spending was achieved in most program areas.

<b>Planned Capital Commitments by Investment Category</b>				
<i>Dollars in millions</i>				
	State of good repair	Replacement	Expansion	Total
2000-09 Plan	\$24,568	\$11,560	\$13,905	\$50,033
Share of total	49%	23%	28%	100%
2006-15 Plan	\$27,910	\$16,311	\$18,189	\$62,410
Share of total	45%	26%	29%	100%
Change	\$3,342	\$4,751	\$4,284	\$12,377
Percent change	14%	41%	31%	25%

SOURCE: IBO; Office of Management and Budget and Department of City Planning *Ten-Year Capital Strategies*.

**Measuring Results.** In comparing actual capital commitments to planned, it would seem reasonable to use the 10-year plan in effect at the time as a basis for comparison—that is, to use a kind of “rolling” plan approach, taking the first two years from each strategy in succession to capture changes in needs, priorities, and fiscal circumstances.<sup>3</sup> There are several practical difficulties in doing so, however.

For one thing, the 10-year plan tends to be “front-loaded”—that is, planned commitments are typically highest in the first two years, and then decline to a lower level—often with a further decline beginning in the fifth year of the plan (after the four-year capital commitment plan timeframe). There are several reasons for this: First, plans are usually more specific in the near term, with detailed design and scope work underway or completed and contracts bid and let. In contrast, out-year plan figures often reflect a minimum “baseline” level of activity. Second, specific sources of funding for projects have been identified and included in the budget. Finally, the commitment plan includes all projects agencies are authorized and funded to undertake, but they are not expected to actually start all of them in the first year or two. Instead, agencies are given commitment “targets”—usually a fixed share of total authorized commitments. The margin of difference between authorized commitments and commitment targets is intended to provide some management flexibility. In practical terms, this means that the actual level of capital commitments is expected to be, and will be, lower than the total authorized level.

Another difficulty is that, as each 10-year plan is updated, projects that were included in the first two years of the previous plan but not begun may be rolled over into the first two years of the new plan. Thus, totals over a multiyear period that include the first two years of successive plans would count many projects more than once.

An additional wrinkle is introduced by the fact that the 10-year strategy document is produced in April, coinciding with the Executive Budget and capital plan. Following the release of these documents the City Council also adds projects to the capital plan. While a relatively small percentage of the total, these additions tend to be a very significant share of investment in certain areas, such as parks, libraries, and cultural organizations. These additions are only reflected in the Adopted Capital Commitment Plan published in September. Thus, the 10-year plans tend to understate the likely level of capital investment in certain areas.

As a result, using the capital plan in effect at the time (that is, using the first two years of each successive 10-year capital plan) would tend to overstate, and misrepresent, the level of capital commitments actually anticipated. On the other hand, comparing actual results for the period 2000 to 2006 with the original 10-year plan, beginning in 2000, means that changing needs, priorities, and fiscal circumstances would not be captured.

In our review of the results, therefore, we have used the 2000-2009 capital plan as the starting point for comparison, noting where there were significant changes in subsequent plans.

## PLANNED AND ACTUAL CAPITAL COMMITMENTS, 2000-2006

**By Program Area.** From 2000 to 2006, New York City committed \$41.9 billion in total capital funds for approximately 20,500 individual projects. This was \$4.6 billion, or 12 percent, more than was planned for that seven-year period in the original 10-year plan for 2000-2009.

As in the plans, actual capital commitments were concentrated in three areas—environmental protection, education, and transportation—which cumulatively accounted for two-thirds of total commitments. But the level of actual commitments varied from the plans. While capital commitments for environmental protection and education projects substantially exceeded their original planned amounts, transportation capital commitments lagged the plan by 25 percent. Two other program areas saw significantly expanded capital commitments compared to the plan—parks and cultural affairs, and health and social services—while another area—public safety—saw a considerable shortfall.

### Capital Commitments by Program Area, 2000 - 2006

Dollars in millions

Program Area	Planned	Actual	Difference	Pct. Difference
Environmental Protection	\$8,513.4	\$11,346.8	\$2,833.4	33.3%
Education <sup>a</sup>	8,826.0	10,955.4	2,129.5	24.1%
Transportation	7,610.5	5,683.1	(1,927.4)	-25.3%
Housing & Econ. Dev.	3,616.9	3,924.9	308.0	8.5%
General Government <sup>b</sup>	3,371.5	3,285.8	(85.7)	-2.5%
Parks, Libraries & Cultural Affairs	1,070.6	2,762.5	1,691.9	158.0%
Public Safety <sup>c</sup>	3,634.8	2,268.9	(1,365.9)	-37.6%
Health & Social Services	627.7	1,656.2	1,028.6	163.9%
<b>Total</b>	<b>\$37,271.4</b>	<b>\$41,883.7</b>	<b>\$4,612.3</b>	<b>12.4%</b>

SOURCE: IBO.

NOTES: <sup>a</sup>Includes the capital programs for the School Construction Authority (Department of Education) and CUNY. <sup>b</sup>Includes the capital programs for sanitation, public buildings and real estate, and citywide computer equipment. <sup>c</sup>Includes the capital programs for corrections, police, fire, courts, and juvenile justice.

**By Investment Category.** In terms of investment categories, the results show that state of good repair projects were, on the whole, fully funded. Programmatic replacement projects exceeded their originally planned amount by a significant margin. But program expansion projects fell slightly short of their originally planned targets. In what follows we provide an overview of some of the major differences between planned and actual capital spending. A detailed table of results by agency and investment category is contained in the Appendix.

**State of Good Repair.** Planned capital commitment for projects classified as state of good repair totaled \$17.4 billion in the original plan for 2000 through 2006, or 47 percent of the planned total. Actual commitments exceeded this amount by 7 percent, for a total of \$18.7 billion.

**Department of Education.** Actual commitments by the School Construction Authority for Department of Education state of good repair projects were significantly higher than originally planned, totaling \$7.1 billion, or about 38 percent of the total in this investment category.<sup>4</sup> Projects included the replacement of building systems such as coal-fired furnaces, windows, and roofs. A significant share of total state of good repair spending—\$2.2 billion—was classified under “emergency, inspections, and miscellaneous,” however, with little additional detail available.

**The Department of Transportation** capital program is almost exclusively classified as state of good repair, largely for bridges and highways. Considerably less was spent on both than was envisioned in the 2000 10-year plan—together, \$4.1 billion, almost one-third less than the \$6.2 billion planned.

The city’s four East River bridges received the bulk of funding for bridge work over this period—\$1.2 billion—40 percent

more than originally scheduled. In contrast, work on other bridges rated in fair or good condition (including the bridge useful life extension program)—was less than planned—\$966 million, compared to a planned \$2.25 billion. Bridge painting and protective coating was also less than planned—\$60.9 million compared to a planned \$317.9 million. Nonetheless, according to the *Mayor's Management Report* (MMR), the condition of city bridges has improved slightly, with the percentage of bridges in good or very good condition rising from 37.8 percent in 2002 to 41.5 percent in 2006; the percentage in fair condition declining from 61.0 percent to 57.7 percent; and the percentage in poor condition falling from 1.2 percent to 0.8 percent.

Capital spending for street resurfacing (repaving) was roughly one-quarter of the rate projected in the plan (about \$20 million on average per year compared to a planned \$65 million to \$80 million). Street reconstruction—more extensive than resurfacing—was on target overall for primary streets, but below plan for secondary and local streets. In contrast to reported bridge conditions, the MMR reports that the percentage of streets with a pavement rating of “good” has declined from 82.4 percent in 2002 to 69.9 percent in 2006, while the share rated “fair” has risen proportionately.

*Parks, Libraries, and Cultural Affairs.* Capital commitments for the parks department, cultural organizations, and for the three library systems all exceeded their original plans substantially.

<b>Capital Commitments by Investment Category, 2000-2006</b>				
<i>Dollars in millions</i>				
	Planned	Actual	Difference	Pct. Diff.
<b>State of Good Repair (SOGR)</b>				
Dept. of Education	\$4,949.3	\$7,147.5	\$2,198.3	44.4%
Transportation	6,150.2	4,146.4	(2,003.8)	-32.6%
Parks, Cultural Affairs, Libraries	979.9	2,530.8	1,551.0	158.3%
Sanitation	1,138.3	450.1	(688.2)	-60.5%
All Other	4,228.5	4,410.2	181.7	4.3%
Total, SOGR	\$17,446.1	\$18,685.1	\$1,238.9	7.1%
<b>Programmatic Replacement</b>				
Environmental Protection	\$5,010.2	\$7,710.3	\$2,700.0	53.9%
Citywide Computer Equipment	520.4	1,280.2	759.8	146.0%
Hospital Reconstruction	201.8	660.2	458.4	227.2%
Court Buildings Reconstruction	561.2	188.6	(372.6)	-66.4%
All Other	3,512.1	3,699.2	187.1	5.3%
Total, Replacement	\$9,805.7	\$13,538.5	\$3,732.8	38.1%
<b>Program Expansion</b>				
Economic Development	\$648.7	\$1,201.5	\$552.8	85.2%
New Prison Capacity	593.7	197.9	(395.8)	-66.7%
Court Construction	1,179.7	315.3	(864.4)	-73.3%
All Other	7,597.5	7,945.4	348.0	4.6%
Total, Expansion	\$10,019.5	\$9,660.1	(\$359.4)	-3.6%
<b>Total</b>	<b>\$37,271.4</b>	<b>\$41,883.7</b>	<b>\$4,612.3</b>	<b>12.4%</b>

SOURCE: IBO.

This increase at least in part reflects additional funding included at the behest of the City Council, which along with the Borough Presidents, accounted for \$1.3 billion of the \$2.8 billion in spending in these areas, or 47 percent.

*Other Program Areas.* Construction of sanitation department garages was less than originally planned—\$403 million total, compared to \$932 million—as plans for several facilities have been deferred until later years. Other major agency state of good repair projects—all more or less as planned—included:

- Reconstruction and rehab of city-owned housing (\$1.2 billion);
- Replacement of malfunctioning or collapsed sewers (\$802 million);
- Renovation and rehab of firehouses (\$477 million);
- Rehab of city-owned office space (\$327 million);
- Environmental remediation of closed city-owned landfills (excluding Fresh Kills; \$261 million).

**Replacement.** Planned capital commitment for projects classified under programmatic replacement totaled \$9.8 billion in the original plan for 2000 through 2006, or 26 percent of the planned total. Actual commitments were 38 percent more than originally planned, for a total of \$13.5 billion—32 percent of total actual commitments.

*Environmental Protection.* Department of Environmental Protection spending on programmatic replacement projects accounted for nearly three-quarters of the higher-than-planned spending. The largest category of programmatic replacement spending is for the reconstruction of the city's 24 wastewater treatment plants, most of which are now 50 years old, in order to continue to meet ever more stringent federal and state water quality mandates. The Department of Environmental Protection spent \$4.7 billion between 2000 and 2007 for this purpose—almost \$700 million a year on average. This was 49 percent more than the \$3.2 billion originally envisioned. Roughly half the spending in this category was for the Newtown Creek plant.

Another significant component of spending in this category—\$762

**City Council & Borough President Funding for Parks, Libraries, and Cultural Affairs**

*Dollars in millions*

	Admin.	Council	B.P.	TOTAL
Parks	\$961.9	\$379.8	\$131.9	\$1,473.6
Libraries	76.1	168.0	54.0	298.1
Cultural Affairs	427.8	393.8	169.3	990.8
Total	\$1,465.8	\$941.5	\$355.2	\$2,762.5

SOURCE: IBO.

million—was for the mitigation of combined sewer overflows. Finally, as part of the city’s agreement with the federal Environmental Protection Agency to avoid filtration of the Catskill/Delaware system, DEP committed \$1.2 billion to a wide array of projects to protect the quality of water sources upstate, including land acquisition, reconstruction of upstate community wastewater treatment plants, and construction of an ultraviolet light treatment facility.

*Citywide Computer Equipment.* The city spent almost \$1.3 billion—\$760 million more than planned—for purchases of computer equipment for city agencies. This spending encompasses hundreds of projects or phases of projects covering almost every city agency and many citywide functions, including accounting, payroll, and emergency communications.

*Hospitals.* The original 2000 plan did not include any major or partial hospital reconstruction projects, but beginning in 2002, several projects were added. Capital commitments for these projects totaled \$575.8 million through the end of 2006.

Although the Health and Hospitals Corporation scaled back planned spending for replacement of ambulances in the 2004 plan, from about \$20 million annually to about \$14 million annually, only \$55.9 million was actually spent for this purpose—an average of \$8 million per year.

*Courts.* The city is obligated to maintain state court buildings under a Court Facilities Master Plan. Under the plan, the city had planned to spend \$561.2 million for the reconstruction and renovation of several criminal, civil, family, and other court facilities in all five boroughs. The city ultimately spent \$188.6 million—\$372.6 less than planned.

*Other Program Areas.* Other program areas with major replacement components include the city’s contributions to the New York City Transit capital program, which totaled \$1.1 billion. Replacement of city agency equipment and vehicles is another major source of spending, including \$520 million for sanitation trucks and equipment, and \$456 million for police facilities, communications, and computer equipment.

*Expansion.* Planned capital commitment for program expansion projects totaled \$10.0 billion in the original plan for 2000 through 2006, or 27 percent of the planned total. Actual commitments came in slightly under this amount—\$9.7 billion—23 percent of total actual commitments. In two areas—economic development and new hospital construction—actual spending was greater than planned, while in two other areas—construction of new permanent jail capacity and expansion of court facilities—the city did not spend the planned amounts.

*Economic Development.* Capital commitments for economic development projects by the city’s Economic Development Corporation totaled \$1.3 billion, 85 percent more than originally planned. All but \$57 million were categorized as “expansion” projects. Aside from new needs for the water and sewer system and school construction, this is the largest program area for expansion projects. While some major projects were long in the making from previous administrations—such as relocation of the Fulton Fish Market, development of the Brooklyn Navy Yard, and construction of two minor league baseball stadiums—part of the growth in this area represents the Bloomberg Administration’s emphasis on economic development combined with a strong fiscal environment since 2004.

*New Prison Capacity.* The Department of Correction had planned to replace about 5,400 beds in temporary structures built on Rikers Island during the 1980s, when the jail population was expanding rapidly, with permanent structures, at a total cost of \$909 million (\$594 million from 2000 to 2006). Several of the original projects were not started as scheduled, however, and the department has revised its original plan, canceling some of the anticipated projects in favor of a new facility to be built in the Bronx. A total of \$197.9 million was actually committed for permanent capacity replacement.

*Courts.* The city, operating under a state mandate, had developed an extensive capital plan for court facilities in the five boroughs, including \$799 million for new supreme criminal court facilities in Manhattan, Queens, and the Bronx, and \$584 million for expansion of existing courts. Less than a third of the planned work through 2006 has occurred, mostly for construction of the new Bronx criminal court. Other projects, including the Manhattan Criminal Court building, have been deferred to later years.

School construction comprised nearly half of the balance of other spending for program expansion projects—a total of \$3.5 billion. Other major areas included housing programs, mostly through the provision of loans and grants to private owners for

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rehab of multifamily residential buildings;<sup>5</sup> and the construction of the city's Third Water Tunnel.

## CONCLUSION

This analysis of capital commitments over 2000 to 2006 provides an overview of the city's evolving priorities and trends in capital spending. Overall, the city spent \$41.9 billion, about \$4.6 billion, or 12 percent, more compared to the original 10-year plan for 2000-2009. While in its broadest outlines, actual capital spending was consistent with the plan and subsequent updates to it, in numerous specific areas spending deviated substantially from planned amounts.

Conventional wisdom might lead one to expect that program expansion projects—usually construction of new facilities—might be the category that would tend to exceed or at least achieve planned amounts, while the more mundane tasks of maintaining the city's existing infrastructure—repaving roads, painting bridges, rebuilding aging facilities, and replacing vehicles and equipment—might be neglected. In practice, however, state of good repair projects were fully funded in most areas (with the notable exception of DOT's bridges and highways programs). Programmatic replacement projects were also fully funded in most areas, with a number of new needs identified and funded in several areas, especially environmental protection. This is an encouraging record, and the city's strong overall fiscal capacity during this period undoubtedly helped it meet its goals (the sharp downturn in the middle of this period barely made a dent in capital spending).

Currently, there is very limited retrospective reporting on actual spending in terms of the 10-year plan's investment categories, and this analysis is the first attempt we know of to do so more comprehensively. In the future, such reporting might be incorporated into Ten-Year Capital Strategy documents, to

provide a record of actual capital investments, and to provide some context and explanation for changes from one 10-year plan to the next.

*Written by Lawrence Tang and Preston Niblack*

## END NOTES

<sup>1</sup>There is a small variance between the Financial Management System data used in this analysis and the official capital commitments reflected in the year-end capital Monthly Transactions Analysis report by the Mayor's budget office. The gaps are the result of a technical problem rooted in the city's transition to the Financial Management System from a previous system in 2000. The cumulative variance over the seven year period of analysis of this paper is approximately 1 percent.

<sup>2</sup>Importantly, the environmental protection capital program is largely funded by debt issued by a separate authority—the Municipal Water Finance Authority—and backed by revenues from system users. Thus, the cost of funding is not reflected in the city budget. The rest of the capital program is financed by general obligation-type debt of the city, and its repayment is an item in the city budget.

<sup>3</sup>In fact, it might seem most logical to use each year's adopted Capital Commitment Plan as the basis for comparison. Since the Capital Commitment Plan is not presented in 10-year plan categories, and a great deal of manual effort would be required to enter the thousands of individual projects for each plan, we chose to rely on the 10-year strategy document which summarizes planned spending by 10-year plan category.

<sup>4</sup>While capital funds are appropriated by the city for the Department of Education, a separate entity called the School Construction Authority (SCA) is actually responsible for planning, designing, and executing the capital program. As a result, the education department's capital commitments are technically simply a transfer to SCA, which then commits these funds to specific projects. SCA commitments are recorded in the city's Financial Management System under a separate fund (402) than the general capital fund (400). Total commitments by SCA from 2000 to 2006 were slightly higher than education department commitments reported in the Financial Management System over this period (\$10.35 billion vs. \$10.16 billion). This gap is caused by the fact that once capital funds are transferred, SCA is not required to commit these funds in the same fiscal year that they were received from the education department. Hence, SCA continues to commit funds transferred in previous years, which results in annual variances between capital funds transferred from the education department and capital funds actually committed by SCA to projects. A more comprehensive evaluation of the capital spending of the Department of Education and School Construction Authority can be found in IBO's "Follow the Money: Were School Construction Dollars Spent as Planned?" (2005).

<sup>5</sup>Although this category arguably does not expand the supply of housing, the Department of Housing Preservation and Development argues that it helps prevent deterioration and abandonment of the existing housing stock, and should therefore be included as "program expansion."

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**APPENDIX: Planned and Actual Spending by Agency, Ten-Year Plan Category, and Investment Category, 2000-2006**

This table provides detailed spending data comparing planned and actual capital spending for the period 2000 through 2006, by agency and ten-year plan category. The basis for the planned column is the 2000-2009 Ten-Year Capital Strategy. As noted, however, subsequent ten-year plans changed spending plans and priorities, so no particular significance should be attached to any variance without more specific analysis of each category—which was beyond the scope of this analysis.

In addition to the separate analysis of Department of Education commitments as described in endnote 4, the following adjustments were made:

- all commitments for DOT waterway (BR) and highway (HB) bridges were combined, except for East River Bridges;
- all commitments for Ports and Trade (PT) projects were combined into the corresponding categories for Economic Development (ED);
- financing costs recorded under the Citywide Equipment project type (PU/FIN) were excluded.

Each ten-year plan category is assigned to an investment category, with the following codes: S, for state of good repair, R, for programmatic replacement, and X, for program expansion. These are the codes assigned to each category in the original or subsequent plans by the Office of Management and Budget.

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**Planned and Actual Capital Commitments by Program Area, Agency, and Ten-Year Plan Category**

Dollars in thousands

Program Area and Agency	Ten-Year Plan Category	Investment Category	Planned	Actual	Difference
<b>Education</b>					
Department of Education	Replacement/Rehab. of Building Components	S	\$3,508,278	\$3,714,984	\$206,706
	System Expansion	X	3,444,476	3,423,668	(20,808)
	Emergency, Unspec. & Misc.	S	950,380	2,207,441	1,257,061
	Educational Enhancements	S	-	1,028,132	1,028,132
	Major Modernization	R	358,436	256,732	(101,704)
	Safety and Security	S	-	183,200	183,200
	Administrative Facility Improvements	S	131,135	13,591	(117,544)
	Playground & Athletic Fields Upgrades	S	158,388	190	(158,198)
	Federal and State Mandates	S	201,074	-	(201,074)
Total, Department of Education			\$8,752,167	\$10,827,938	\$2,075,771
CUNY	Misc. Reconstruction	S	35,836	46,590	10,754
	Electrical, Mech., HVAC Upgrades	S	13,928	1,547	(12,381)
	Security Systems	R	10,348	3,125	(7,223)
	New School Construction	X	6,240	34,571	28,331
	Data Processing Equipment	R	3,509	39,698	36,189
	Fed'l/State/Local Mandates	S	2,554	495	(2,059)
	Athletic Fields & Gymnasiums	S	1,404	1,505	101
Total, CUNY			\$73,819	\$127,531	\$53,712
<b>TOTAL, Education</b>			<b>\$8,825,986</b>	<b>\$10,955,469</b>	<b>\$2,129,483</b>
<b>Environmental Protection</b>					
Equipment	Landfill Remediation	S	\$228,400	\$260,609	\$32,209
	Metering and Conservation	R	29,561	127,644	98,083
	Management Information Systems	R	21,658	36,549	14,891
	Facility Purchases & Reconstruction	R	51,720	84,478	32,758
	Utility Relocation for Sewer & Water Main Projects	R	86,413	149,500	63,087
	Vehicles & Equipment	R	20,632	34,490	13,858
Total, Equipment			\$438,384	\$693,271	\$254,887
Sewers	Replacement of Chronically Failing Components	S	575,810	801,638	225,828
	Extensions to Accommodate New Development	X	394,037	478,993	84,956
	Replacement or Augmentation of Existing System	X	86,459	83,054	(3,405)
	Programmatic Replacement and Reconstruction	R	38,963	11,664	(27,299)
	Programmatic Response to Regulatory Mandates	X	9,000	175	(8,825)
Total, Sewers			\$1,104,269	\$1,375,525	\$271,256
Water Supply	City Tunnel No. 3 Stage 1	X	327,687	134,366	(193,321)
	City Tunnel No. 3 Stage 2	X	526,313	1,016,543	490,230
	Conveyance	X	-	29,423	29,423
	Kensico-City Tunnel	X	-	11,924	11,924
	City Tunnel No. 1 Reconstruction	S	10,000	6,071	(3,929)
	Miscellaneous Programs	X	-	2,299	2,299
	Total, Water Supply			\$864,000	\$1,200,625
Water Mains	Augmentation of Water Supply Systems	X	1,371	2,230	859
	Brooklyn-Queens Aquifer	X	-	9,568	9,568
	Croton Filter Project	X	879,000	572,845	(306,155)
	Mapping & Telemetry	X	2,800	6,536	3,736
	Trunk & Distribution Main Extension	X	204,323	140,156	(64,167)
	Miscellaneous Improvements Upstate	X	1,000	-	(1,000)
	Dam Safety Program	R	136,608	152,027	15,419
	Trunk & Distribution Main Replacement	R	364,626	413,308	48,682
	Water Quality Preservation	R	369,105	1,201,076	831,971
	Corrosion Protection System	R	2,300	-	(2,300)
Total, Water Mains			\$1,961,133	\$2,497,747	\$536,614
Water Pollution Control	Biological Nutrient Removal	X	236,940	35,528	(201,412)
	Sludge Disposal	X	20,000	44,563	24,563
	Consent Decree Upgrading and Construction	R	1,840,336	2,290,316	449,980
	Plant Upgrading & Reconstruction	R	386,900	462,150	75,250
	Plant Component Stabilization	R	961,200	1,984,868	1,023,668
	Water Quality Mandates	R	700,224	762,185	61,961
Total, Water Pollution Control			\$4,145,600	\$5,579,610	\$1,434,010
<b>TOTAL, Environmental Protection</b>			<b>\$8,513,386</b>	<b>\$11,346,778</b>	<b>\$2,833,392</b>

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Program Area and Agency	Ten-Year Plan Category	Investment Category	Planned	Actual	Difference
<b>Transportation &amp; Transit</b>					
Bridges	East River Bridges	S	\$817,361	\$1,151,864	\$334,503
	Bridges in Fair Condition	S	913,230	730,019	(183,211)
	Bridges in Good Condition	S	-	25,046	25,046
	Bridge Life Extension	S	1,336,994	211,271	(1,125,723)
	Bridge Painting	S	317,947	60,921	(257,026)
	Bridges in Poor Condition	S	384,514	339,900	(44,614)
	Equipment for Bridge Maintenance	S	14,500	5,151	(9,349)
	Bridge Facilities	S	9,033	12,684	3,651
	Total, Bridges		\$3,793,579	\$2,536,856	(\$1,256,723)
Highways	Primary Street Reconstruction	S	773,734	753,093	(20,641)
	Primary Street Resurfacing	S	517,842	138,519	(379,323)
	Local Street Resurfacing/Reconstruction	S	277,557	12,764	(264,793)
	Sidewalk Reconstruction	S	140,351	152,694	12,343
	Facility Reconstruction	S	107,766	45,738	(62,028)
	Pedestrian Ramp Construction	S	86,340	117,402	31,062
	Secondary Street Resurfacing/Reconstruction	S	75,892	136	(75,756)
	Reconstruction of Step Streets	S	2,380	6,173	3,793
	Other	S	350	10,428	10,078
	Total, Highways		\$1,982,212	\$1,236,948	(\$745,264)
Ferries	Reconstruction of Ferry Boats	R	148,447	178,457	30,010
	Reconstruction of Ferry Terminals	R	79,625	206,051	126,426
	Ferry Maintenance Facility Construction	S	2,000	2,392	392
	Total, Ferries		\$230,072	\$386,901	\$156,829
Franchise Transportation	Franchise Buses & Equipment	R	97,991	42,198	(55,793)
	Other Equipment Purchases	R	23,277	10,770	(12,507)
	Franchise Bus Facilities	R	23,398	2,027	(21,371)
	MTA Bus Company	R	-	12,694	12,694
	Total, Franchise Transportation		\$144,666	\$67,689	(\$76,977)
Traffic	Installation of Lampposts & Luminaires	S	58,489	96,061	37,572
	Parking Lot & Garage Reconstruction	S	14,225	41,975	27,750
	Installation of Pavement Markings	S	9,439	12,758	3,319
	Replacement of Electrical Distribution Systems	S	20,899	7,734	(13,165)
	Signal Installation & Computerization	S	121,770	145,208	23,438
	Highway Drawdown Program	S	69,911	-	(69,911)
	Automotive and Other Equipment	R	529	-	(529)
	Total, Traffic		\$295,262	\$303,735	\$8,473
Equipment	Data Processing Equipment	S	26,516	34,997	8,481
	Automotive & Other Equipment	S	51,202	31,481	(19,721)
	Total, Equipment		\$77,718	\$66,478	(\$11,240)
	<b>Transportation Subtotal</b>		<b>\$6,523,509</b>	<b>\$4,598,606</b>	<b>(\$1,924,903)</b>
Transit	New York City Transit	R	1,080,000	1,079,471	(529)
	Staten Island Railroad	R	7,000	5,066	(1,934)
	<b>Transit Subtotal</b>		<b>\$1,087,000</b>	<b>\$1,084,537</b>	<b>(\$2,463)</b>
	<b>TOTAL, Transportation &amp; Transit</b>		<b>\$7,610,509</b>	<b>\$5,683,143</b>	<b>(\$1,927,366)</b>

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Program Area and Agency	Ten-Year Plan Category	Investment Category	Planned	Actual	Difference
<b>Housing &amp; Economic Development</b>					
Housing Authority	Low-/Moderate-Income Housing Upgrades	S	\$85,339	\$61,331	(\$24,008)
	Low-/Moderate-Income Housing Construction	X	3,000	4,129	1,129
	<b>Total, Housing Authority</b>		<b>\$88,339</b>	<b>\$65,460</b>	<b>(\$22,879)</b>
Housing Preservation & Dvlpmt.	In Rem Rehabilitation	S	1,534,350	1,269,318	(265,032)
	Assistance to Private Owners	X	747,586	753,236	5,650
	New Housing Construction	X	122,278	322,954	200,676
	Neighborhood-Based Initiatives	X	208,316	113,702	(94,614)
	Other Housing Support Investment	S	208,389	108,739	(99,650)
	Low-Income Housing Construction	X	100	18,326	18,226
	Other	S	-	7,800	7,800
	Low-/Middle-Income Housing Upgrades	S	-	6,944	6,944
<b>Total, Housing Preservation &amp; Developme</b>		<b>\$2,821,019</b>	<b>\$2,601,020</b>	<b>(\$219,999)</b>	
<b>Housing Subtotal</b>			<b>\$2,909,358</b>	<b>\$2,666,480</b>	<b>(\$242,878)</b>
Economic Development		R			
	Commerical Development	X	\$316,348	\$396,045	\$79,697
	Port Development	X	115,195	361,588	246,393
	Waterfront Development	X	89,438	185,084	95,646
	Industrial Development	X	62,698	103,187	40,489
	Miscellaneous	X	60,094	70,958	10,864
	Markets	R	38,440	40,251	1,811
	Neighborhood Revitalization	S	20,415	16,740	(3,675)
	Aviation	X	4,475	3,901	(574)
	Rail Development	X	430	80,689	80,259
<b>Economic Development Subtotal</b>			<b>\$707,533</b>	<b>\$1,258,444</b>	<b>\$550,911</b>
<b>TOTAL, Housing &amp; Econ. Development</b>			<b>\$3,616,891</b>	<b>\$3,924,924</b>	<b>\$308,033</b>
<b>Health &amp; Social Services</b>					
Dept. for the Aging	Electronic Data Processing	S	\$3,410	\$5,709	\$2,299
	DFTA Building Reconstruction	S	26,963	28,633	1,670
	<b>Total, Dept. for the Aging</b>		<b>\$30,373</b>	<b>\$34,342</b>	<b>\$3,969</b>
Admin. for Children's Services	Child Welfare Facilities	S	-	1,664	1,664
	Day Care Facilities	S	-	114	114
	Social Services Buildings	S	-	13,340	13,340
	Equipment	R	-	20,594	20,594
<b>Total, Admin. for Children's Services</b>			<b>\$0</b>	<b>\$35,712</b>	<b>\$35,712</b>
Homeless Services	Social Services Buildings	S	5,000	10,064	5,064
	Shelters for Homeless Individuals	X	84,324	37,625	(46,699)
	Shelters for Homeless Families	X	31,724	27,845	(3,879)
	Equipment	R	3,100	13,629	10,529
<b>Total, Homeless Services</b>			<b>\$124,148</b>	<b>\$89,163</b>	<b>(\$34,985)</b>
Dept. of Health & Mental Hygier	Facility Renovation	S	61,884	188,048	126,164
	Office of the Chief Medical Examiner	R	-	5,593	5,593
	Medical, Lab, & Other Equipment	R	28,297	115,310	87,013
<b>Total, Health &amp; Mental Hygiene</b>			<b>\$90,181</b>	<b>\$308,951</b>	<b>\$218,770</b>
Hospitals	Major or Partial Hospital Reconstruction	R	56,659	575,811	519,152
	Routine Reconstruction	X	3,189	232,802	229,613
	Emergency Medical Services Equipment	R	144,495	59,705	(84,790)
	Major Medical Equipment	R	638	24,693	24,055
	New Construction	X	-	1,137	1,137
<b>Total, Hospitals</b>			<b>\$204,981</b>	<b>\$894,147</b>	<b>\$689,166</b>
Human Resources Admin.	Shelters for Homeless Individuals	X	-	16,323	16,323
	Telecommunications Equipment	X	31,977	14,103	(17,874)
	Shelters for Homeless Families	X	-	7,976	7,976
	Automotive Equipment	X	2,834	140	(2,694)
	Data Processing Eqpmt	R	66,696	98,295	31,599
	Equipment	R	-	8,948	8,948
	Social Services Buildings	R	76,460	148,143	71,683
<b>Total, HRA</b>			<b>\$177,967</b>	<b>\$293,928</b>	<b>\$115,961</b>
<b>TOTAL, Health &amp; Social Services</b>			<b>\$627,650</b>	<b>\$1,656,243</b>	<b>\$1,028,593</b>

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Program Area and Agency	Ten-Year Plan Category	Investment Category	Planned	Actual	Difference
<b>Public Safety</b>					
Correction	Building Systems & Infrastructure	S	\$263,754	\$243,422	(\$20,332)
	New Capacity	X	593,650	197,898	(395,752)
	Equipment	S	46,754	31,673	(15,081)
	Support Space	R	34,302	28,665	(5,637)
	Total, Correction		\$938,460	\$501,658	(\$436,802)
Courts	Construction of New Court Facilities	X	769,700	315,348	(454,352)
	Improvement/Expansion of Court Facilities	X	410,014		(410,014)
	Reconstruction/Renovation of Court Facilities	R	561,178	188,626	(372,552)
Total, Courts		\$1,740,892	\$503,974	(\$1,236,918)	
FDNY	New Facilities & Renovations	S	186,030	476,747	290,717
	Vehicles, Firefighting Tools, & Equipment	R	203,428	194,594	(8,834)
	Communications	S	57,020	73,755	16,735
	Electronics & Data Processing	R	8,168	40,497	32,329
Total, Fire Department		\$454,646	\$785,593	\$330,947	
Juvenile Justice	Construction of Secure Detention Facilities	X	-	11,601	11,601
	Reconstruction of Secure Detention Facilities	X	39,523	876	(38,647)
Total, Juvenile Justice		\$39,523	\$12,477	(\$27,046)	
Police	Communications Equipment	R	173,537	119,436	(54,101)
	Computer Equipment	R	49,280	112,199	62,919
	Misc. Equipment	R	15,698	13,896	(1,802)
	Police Facilities	R	174,253	195,773	21,520
	Vehicles	R	48,521	23,868	(24,653)
Total, Police Department		\$461,289	\$465,172	\$3,883	
<b>TOTAL, Public Safety</b>			<b>\$3,634,810</b>	<b>\$2,268,873</b>	<b>(\$1,365,937)</b>
<b>General Gov't.</b>					
Citywide Equipment	Electronic Data Proc. Equipment (DOITT, Citynet)	R	\$80,414	\$291,496	\$211,082
	Unallocated Borough President Funds	X	20,311	-	(20,311)
	Electronic Data Proc. Equipment (FISA)	R	95,308	614	(94,694)
	Electronic Data Proc. Equipment (Citywide)	R	344,677	988,103	643,426
Total, Citywide Equipment		\$540,710	\$1,280,213	\$739,503	
Public Buildings	Legal Mandates/Correction of Unsafe Conditions	S	233,760	209,587	(24,173)
	Misc. Construction	S	-	31,496	31,496
	Rehab. of City-Owned Office Space	S	499,882	327,218	(172,664)
	Renovation of Other City-Owned Facilities	S	66,208	126,195	59,987
	Board of Elections Modernization	X	6,543	12,776	6,233
	Communications Equipment	R	9,740	4,529	(5,211)
	Equipment & Interagency Services	R	6,041	39,712	33,671
	Renovation of Leased Space	R	57,946	101,200	43,254
Total, Public Buildings		\$880,120	\$852,714	(\$27,406)	
Real Estate	Misc. Construction	S	-	3,542	3,542
	Rehab. of Non-Waterfront Properties	S	42,178	37,446	(4,732)
	Rehab. of Waterfront Properties	S	19,236	12,329	(6,907)
Total, Real Estate		\$61,414	\$53,316	(\$8,098)	
Sanitation	Garages & Facilities	S	932,414	402,908	(529,506)
	Vehicles & Equipment	R	677,320	519,501	(157,819)
	Waste Disposal Facilities	S	205,853	47,204	(158,649)
	Solid Waste Management	X	73,668	129,904	56,236
Total, Sanitation		\$1,889,255	\$1,099,517	(\$789,738)	
<b>TOTAL, General Government</b>			<b>\$3,371,499</b>	<b>\$3,285,759</b>	<b>(\$85,740)</b>

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Program Area and Agency	Ten-Year Plan Category	Investment Category	Planned	Actual	Difference
<b>Parks, Libraries, and Cultural Affairs</b>					
NYPL Research Libraries	Essential Reconstruction of Facilities	S	\$11,698	\$36,432	\$24,734
	Reconstruction Necessary to Maintain Facilities	S	344		(344)
	Expansion & Construction of Facilities	X	-	17,783	17,783
	Improvements to Existing Facilities	R	8,129	16,358	8,229
	Total, New York Public Library		\$20,171	\$70,572	\$50,401
New York Public Library	Improvements to Existing Facilities	S	1,546	34,353	32,807
	Essential Reconstruction of Facilities	S	2,256	27,066	24,810
	Reconstruction Necessary to Maintain Facilities	S	677	962	285
	Expansion & Construction of Facilities	X	7,511	59,639	52,128
	Access for the Handicapped	X	1,528	-	(1,528)
	Support Services Improvements	R	193	1,824	1,631
	Total, NYPL Research Libraries		\$13,711	\$123,845	\$110,134
Brooklyn Public Library	Rehab & Relocation of Branch Libraries	S	947	601	(346)
	Essential Reconstruction of Facilities	S	8,810	32,760	23,950
	Reconstruction Necessary to Maintain Facilities	S	4,060	30,490	26,430
	Support Services Improvements	S	481	3,166	2,685
	Total, Brooklyn Public Library		\$14,298	\$67,016	\$52,718
Queens Borough Library	Replacement Branches	S	3,285	15,591	12,306
	Essential Reconstruction of Facilities	S	5,070	4,458	(612)
	Reconstruction Necessary to Maintain Facilities	S	3,022	16,537	13,515
	Support Services Improvements	R	-	86	86
	Total, Queens Borough Library		\$11,377	\$36,671	\$25,294
	<b>Libraries, Subtotal</b>		<b>\$59,557</b>	<b>\$298,105</b>	<b>\$238,548</b>
Parks & Recreation	Beaches & Boardwalks	S	\$19,187	\$26,193	\$7,006
	Major Recreational Facilities	S	42,384	227,607	185,223
	Neighborhood Parks & Playgrounds	S	184,750	385,988	201,238
	Vehicles, Equipment, & Facilities Reconstruction	S	85,481	118,252	32,771
	Large, Major & Regional Park Reconstruction	S	264,918	579,544	314,626
	Land Acquisition & Tree Planting	X	73,430	124,434	51,004
	Zoos	X	-	11,563	11,563
	Total, Parks & Recreation		<b>\$670,150</b>	<b>\$1,473,582</b>	<b>\$803,432</b>
Cultural Affairs	Capital Equipment	S	2,478	15,830	13,352
	Essential Reconstruction of Facilities	S	331,428	866,174	534,746
	New Technology & Construction	S	7,031	108,819	101,788
	Total, Cultural Affairs		<b>\$340,937</b>	<b>\$990,822</b>	<b>\$649,885</b>
	<b>TOTAL, Parks, Libraries &amp; Cultural Affairs</b>		<b>\$1,070,644</b>	<b>\$2,762,509</b>	<b>\$1,691,865</b>
<b>GRAND TOTAL</b>			<b>\$37,271,375</b>	<b>\$41,883,697</b>	<b>\$4,612,322</b>

SOURCE: IBO.