



*Bridgeport school classroom*

## You can't learn if your school is falling apart

Schools that are in poor physical condition do not provide a good learning and teaching environment for our students or our teachers.

The state of some of our educational facilities is shocking. A walk through some Bridgeport schools will find roofs that leak, windows that do not open or close, old boilers that provide sporadic heat in the winter, missing ceiling and floor tiles, holes in classroom walls... and the list could go on and on. No suburb would allow the run-down conditions that are found in Bridgeport schools.

**The level of upkeep and physical appearance of our schools makes a clear statement about priorities in our city and provides a constant reminder to students and teachers of how they are valued.**

# Denied, Delayed and Diverted:

## PROBLEMS WITH FUNDING SCHOOL REPAIR PROJECTS IN BRIDGEPORT

Until the Cesar Batalla School opened in January of 2007, the City of Bridgeport had not built a new school since 1984. The City's schools are old and many have deteriorated badly.

### 2/3 of the City's schools are nearly 50 years old

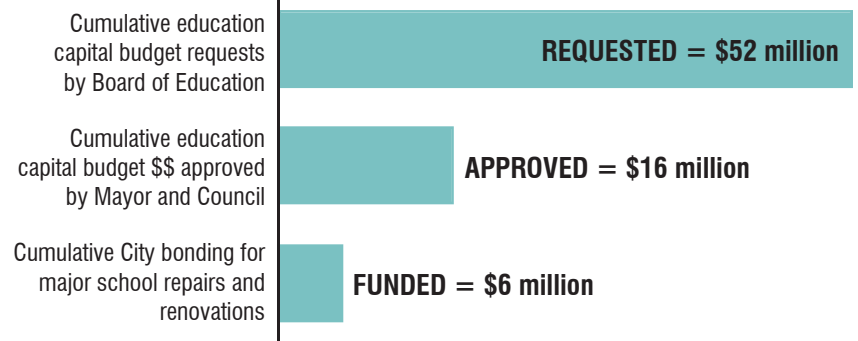
- 6 schools were built before 1905
- 11 schools were built between 1910 and 1930
- 6 schools were built between 1931 and 1960

**10,900 Bridgeport students attend these 23 schools**

The City of Bridgeport has not committed the level of funding required to keep our schools in a reasonable state of repair. Even worse, the City has been unreliable and negligent about providing the funds that were approved by the Mayor and City Council to repair and equip older school buildings.

## THE CITY SHORTCHANGES BRIDGEPORT SCHOOLS

### A Five-Year Look, 2002-03 to 2006-07



Sources: Board of Education Capital Budget Requests for 2002-03 to 2006-07, City of Bridgeport Authorized Capital Plan 2002-03 to 2006-07. Note: Numbers rounded to nearest million and excludes projects funded with State grants.

*Because the City did not bond for many approved and authorized school repair projects, the Board of Education sometimes repeated its requests in subsequent years. With Board of Education staff turnover, it was difficult for BCAC to determine the exact amount of these repeat requests. Based on conversations with school staff, we estimate that as much as 20-25% of the \$52 million in Board of Education cumulative capital requests over the five years may be repeat requests.*

**For the 2004-05 and 2005-06 school years, the City approved no education capital budget at all.**

**In this report, BCAC focuses a spotlight on the priorities, decision-making, and practices of the City of Bridgeport that have resulted in neglect of its schools. We hope our report will create concern across our city and provide the impetus for reforms.**

In Bridgeport, school buildings are deteriorating due to chronic neglect. Many school buildings need new roofs, boilers, windows, floors, doors, security and fire alarm systems, plumbing, and lighting as well as functional gyms, auditoriums, and playgrounds.

Students and parents have protested the condition of some of the schools. Teachers, principals, and the Board of Education have been frustrated by inadequate funding and the slow pace of school repair and renovation projects.

In this report, we'll examine some of the funding decisions made by the City of Bridgeport, show how funds in the educational capital budgets have been **denied**, **delayed** or **diverted** over time, and suggest ways in which the capital budget process in Bridgeport needs to be reformed.

### What is a Capital Budget?

Capital budgets are different from annual operating budgets. Operating budgets fund items that will be used within the current year, such as salaries, utility payments, classroom supplies, and textbooks. Capital budgets contain construction and repair projects and school equipment that can be used over an extended period of time, anywhere from 5 to 20 years or more. Bridgeport's capital budget includes items approved by the City Council for every city department, including the Board of Education.

To pay for items in the capital budget, the City borrows money by selling bonds and pays the purchasers of the bonds interest payments each year until the debt is paid off. This is similar to taking out a mortgage to pay for the purchase of a house over 20 to 30 years.

### What Role Does the State Have in Funding Education Capital Budgets?

In Connecticut, the State contributes to the funding of school operating and capital budgets for cities and towns. As an urban school district, Bridgeport currently receives a significant contribution — nearly 70-80% — from the State toward its education operating budget and certain capital budgets items.

With State grant support, the City of Bridgeport and its taxpayers pay only about 20-30% of the cost of new school construction, certain major repairs, such as replacing school roofs or updating fire, handicapped accessibility and other code issues, and extensive alternations to school buildings.

### The City's Role in Funding the Education Capital Budgets

In addition to funding the City's 20-30% share of State-authorized projects, the City has **sole responsibility** for funding the costs of school equipment and vehicles, and regular upgrades and repair projects to restore the physical condition of Bridgeport's 35 schools.

Our report will focus on those education capital budget items that are not funded by the State but are the sole responsibility of the City of Bridgeport unless otherwise noted.

### How Does the Education Capital Budget Get Approved in Bridgeport?

The education capital budget approval process is similar to the process for approving the education operating budget each year.

#### FALL

Superintendent and his staff prepare annual education capital budget request for the school year beginning the following July. It is presented to the School Board for review, possible modification, and approval.

#### NOVEMBER

By the first day in November, the education capital budget request is submitted to the Mayor for review. The Mayor can modify the Board of Education's request.

#### MARCH

First Tuesday in March, the Mayor sends his recommended education capital budget to the Budget and Appropriations Committee of the City Council for review and possible modification.

#### MAY/JUNE

First Tuesday in May, Council Budget and Appropriations Committee sends its recommended education capital budget to the full City Council for review, possible modification, and approval in June.

**For Bridgeport and its taxpayers, having the State fund up to \$800 out of every \$1,000 spent to build new schools or make major school repairs provides a tremendous opportunity to leverage a small local contribution to create outstanding school facilities.**

**For example, the cost to City taxpayers of the new \$54 million Cesar Batalla School was \$15 million.**

**A school system needs both an operating budget to detail the annual cost of running the schools as well as a capital budget that lists outlays for repairs and improvements to school facilities, construction of new schools, equipment, and vehicles that will benefit the education system over many years.**

## How Does the Education Capital Budget Get Funded Each Year?

Each year the Board of Education develops an education capital budget detailing individual school repair projects, equipment and vehicle purchases, and their estimated costs. This education capital budget does not include the State-authorized major school repairs and renovations or new school construction costs.

The annual education capital budget is reviewed by the City budget staff. The Mayor then sends his recommended capital budget, which includes both education and city projects, to the City Council.

The City Council votes to adopt the City's capital budget, which includes the education capital budget. A separate vote is taken by the City Council and Council Budget and Appropriations Committee to authorize funding of the capital budget. Before the City can sell bonds to investors to fund projects and equipment purchases in the capital budget, the City Council and its Budget and Appropriations Committee must vote again to give the Mayor and Director of Finance authorization to issue bonds. The City holds a major bond sale to fund its capital budget about once a year.

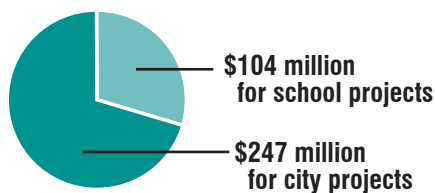
**Even though education capital budget repair and equipment items have been approved and authorized by the City Council for funding, the Mayor and City officials can still decide not to include these in the bond sale.**

## Who Decides What Capital Projects and Purchases Get Funded?

In Bridgeport, the Mayor and City finance and budget officials determine what projects and items in the City and education capital budgets will be bonded, how much money will be borrowed through the bond sale, and when the bonding will occur. **The Mayor and these City officials also determine when bond funds will be released so that work on capital projects or equipment purchases may proceed.**

## The City Values Municipal Projects More Than School Projects

Cumulative Bonding for City Capital Budgets, 1997-2007



**Bonding for City projects is more than double the amount bonded for school projects.**

Source: City of Bridgeport Authorized Capital Plan 1997-2007, 3/6/2007. Note: Numbers rounded to nearest million dollars.



## Examples of City Projects APPROVED and FUNDED

PROJECT	COST
Veteran's Memorial Park	\$1.3 million
Wonderland of Ice	\$1.5 million
Went Field Expansion & Improvements	\$2.3 million
Downtown Capital Improvements	\$4.0 million
Multi-District Streetscapes	\$4.5 million
<b>TOTAL</b>	<b>\$13.6 million</b>

Source: City of Bridgeport Authorized Capital Plan, 1997-2007, 3/6/2007  
Note: Numbers rounded to nearest tenth of a million dollars.

## Examples of School Projects NOT APPROVED, NOT FUNDED

PROJECT	COST
Indoor Air Quality Improvement & Lead Paint Abatement	\$1.1 million
Heating/Ventilation Upgrades & Boiler Replacements	\$1.1 million
Lighting Replacements & Upgrades	\$1.7 million
Playgrounds, Sidewalks & Repairs to Building Exteriors	\$1.7 million
Door, Ceiling, Floor & Window Replacements	\$1.9 million
<b>TOTAL</b>	<b>\$7.5 million</b>

Source: Board of Education Capital Budget Requests 2001-02 to 2006-07  
Note: Numbers rounded to nearest tenth of a million dollars.

**It is the Mayor and City finance and budget officials, rather than the Board of Education, who determine education capital funding priorities and make decisions about which school construction, repair projects, and equipment purchases get funded and when they will be funded.**

**City Council Shortchanges School Needs**

For the 2002-03 through the 2006-07 school years, the Board of Education submitted capital budget requests of over \$52 million to the City. The Board of Education capital budgets include only the equipment purchases and school repair projects for which the City is solely responsible and do not include the school construction and major school repair projects that are funded largely by the State.

In this five-year period, the education capital budget included requests to replace broken heating and ventilation systems, windows, and lighting. Funds were also requested to address indoor air quality and lead paint problems, make building improvements needed for high school accreditation, and purchase replacement furniture, vehicles, and computers.

**Of the \$52 million requested by the Board of Education over the last five years, the City Council approved only about \$16 million, or slightly less than 1/3 of what was requested.**

**The City Council failed to approved a single capital budget item requested by the Board of Education for the 2004-05 and 2005-06 school years.**

**Schools Repeatedly Ask for Funds, But to No Avail**

Because so many requests have been denied by the City Council over the years, the Board of Education has been forced to submit some items again and again — particularly items for building repairs needed across the district.

BUDGET YEAR	BOARD OF EDUCATION REQUEST	CITY COUNCIL ACTION	REASON
2002-03	\$6 million for district-wide school facility repairs	DENIED	Request not specific enough
2003-04	\$6.6 million for repairs at specific schools	DENIED	Unknown
2004-05	\$1.5 million for district-wide school security & safety improvements	DENIED	No education capital budget items were approved at all
2005-06	\$1.5 million for district-wide school security & safety improvements (same request as previous year)	DENIED	No education capital budget items were approved at all

Source: Board of Education Capital Budget Requests 2002-03 through 2005-06

**What Happens When School Needs Are Ignored?**

When the City Council and Mayor fail to respond to school needs through the capital budget process, the Board of Education has no alternative but to draw from the limited funds available each year in the education operating budget for school maintenance.

Operating budget funds should never be used to pay for items that are clearly major capital expenses. Sometimes the Board of Education has no other choice.

In the 2005-06 school year, \$650,000 had to be taken from an already inadequately funded operating budget to make heating system repairs at four schools — \$650,000 that was desperately needed in the classroom to improve academic programs.

**City Handles School Repairs Differently Than Other Municipalities — to the Detriment of Bridgeport Schools**

Although it is standard practice in many municipalities, the City of Bridgeport does not regularly fund ongoing upkeep and improvement to either the exterior or interior of the schools in its annual education capital budgets.

The City’s disregard for school upkeep and repairs has had devastating and obvious results, as shown by the deteriorating condition of Bridgeport’s schools.

At the same time, the City regularly funds city beautification, investing in trees, flowers, esplanades, and parks.

*What message does this send to Bridgeport students and parents?*

**The City’s Neglect Forces Schools to Use Scarce Operating Funds for Critical Capital Projects**

With inadequate funding from the City for school upkeep and improvements, the Board of Education has been left to rely on funds in its tight operating budget to cover such items as replacing broken plumbing and lighting fixtures, ceiling tiles, floors, doors, and even painting.

The education operating budget for building maintenance, which includes supplies, equipment, and contracted services, as well as vehicle maintenance, is only about \$1 million a year to keep up 35 school buildings, 2/3 of them between 45 and 123 years old.

**With \$22 million in cuts to the Board of Education operating budget over the last three years, it is difficult for our schools to meet the basic academic needs of students, let alone replace ceiling and floor tiles, windows, and fix leaking pipes. No wonder the schools are crumbling.**

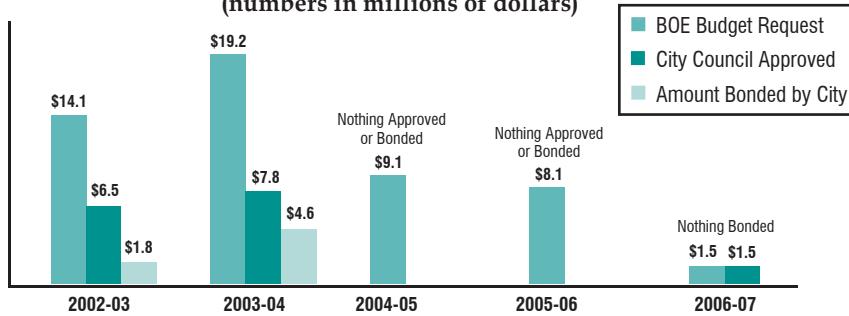
**The education capital budget process is broken and needs repairing - just like our schools.**

## City Ignores Its Own Approved Capital Budgets

During the last five years, the City of Bridgeport has bonded only about 1/3 of the education capital budget items approved by the City Council — or a little more than 10% of what the schools needed for school repairs and equipment.



**Education Capital Budgets  
2002-03 through 2006-07  
(numbers in millions of dollars)**



Sources: Board of Education Capital Budget Requests 2002-03 to 2006-07, City of Bridgeport Authorized Capital Plan 2002-03 to 2006-07. Note: Excludes State school construction and repair projects. Numbers rounded to nearest tenth of a million dollars.

After elected Board of Education members approved education budget priorities, and after elected City Council members approved an education capital budget, the City still chose not to fund some desperately needed school equipment and repairs.

## A 10-Year Look at the Education Capital Budget: Too Little, Too Late

The Board of Education has perennially faced problems in obtaining funds needed to complete repair and upgrade projects for its aging schools. Over the last ten years, the City bonded only \$24 million of the \$36 million authorized by the City Council for capital projects, excluding State-funded school construction and repair projects.

The situation has worsened over the last five years. From 2002-03 through 2006-07, the City bonded only \$6 million of the \$16 million authorized by the City Council.

### From 1997-2007, the City Bonded for Only 2/3 of the Amounts Approved by the City Council for School Projects

PROJECT CATEGORY	APPROVED BY CITY COUNCIL	CITY BONDS ISSUED	APPROVED BY CITY BUT BONDS NEVER ISSUED
Accreditation	\$2.6 million	\$1.5 million	\$1.1 million
Building Improvements	\$12.1 million	\$6.3 million	\$5.8 million
Equipment and Vehicles	\$4.9 million	\$4.0 million	\$.8 million
School Libraries	\$5.0 million	\$5.0 million	—
Furniture	\$3.2 million	\$2.3 million	\$.9 million
Technology/Computers	\$7.8 million	\$4.5 million	\$3.3 million
<b>Total</b>	<b>\$35.7 million</b>	<b>\$23.8 million</b>	<b>\$11.9 million</b>

Source: City of Bridgeport Authorized Capital Plan, 3/1/2007  
Note: All numbers rounded to the nearest tenth of a million dollars. Because of rounding, totals may be off slightly.

## School Projects Left in Limbo

### Projects Authorized by City Council But Never Bonded by City

#### 3 High School Physics Labs

Budget Year: 2002-03

Cost: \$280,000

#### District-wide Masonry & Repointing

Budget Year: 2001-02

Cost: \$150,000

#### District-wide Exhaust Fans

Budget Year: 2001-02

Cost: \$100,000

#### District-wide Sidewalk Repairs & Replacements

Budget Year: 2001-02

Cost: \$100,000

#### Central High School Window Replacements

Budget Year: 2001-02

Cost: \$486,000

Source: City of Bridgeport Authorized Capital Plan 1997-2007, 3/6/2007

**In the last ten years, the City of Bridgeport has failed to bond for \$12 million of education capital budget items approved by the City Council.**

**Delays Waste Taxpayer Dollars**

With nearly \$12 million in authorized education capital budget items that have not been bonded over the last ten years, the Board of Education has a number of repair projects and equipment purchases that remain “on hold.”

Since these education capital projects were approved by the City Council 5 to 10 years ago, the following questions must be asked:

- Does the City ever intend to issue bonds for these projects?
- Can they still be completed for the cost originally approved in the capital budget?
- As conditions in the schools have continued to deteriorate over the last 5 to 10 years, will these repairs and upgrades now cost taxpayers substantially more?

**School Construction Delays Have Cost Taxpayers Millions of Dollars**

New school construction projects now underway in Bridgeport have been plagued by delays. While the City’s efforts to replace some of Bridgeport’s 100 year old schools are to be applauded, delays in school construction have added millions of dollars to the original cost projections — dollars that could have been used to improve and repair other aging school buildings.

**Delays Increase Costs for New School Construction by 30-35%  
Six Million City Taxpayer Dollars Wasted**

SCHOOL CONSTRUCTION PROJECT	ORIGINAL PROJECTED COST	UPDATED PROJECTED COST BECAUSE OF DELAYS	ADDITIONAL COST TO CITY TAXPAYERS DUE TO DELAYS
New North End School	Original cost total: \$39 million City share at 25%: <b>\$9.8 million</b>	Total: \$56.3 million City share at 25%: <b>\$14.1 million</b>	<b>\$4.3 million</b>
New East End School	Original cost total: \$40.5 million City share at 25%: <b>\$10.1 million</b>	Total: \$48.1 million City share at 25%: <b>\$12 million</b>	<b>\$1.9 million</b>
<b>Total Cost of School Construction Delays to City of Bridgeport</b>			<b>\$6.2 million</b>

Source: State Department of Education, School Building Project Priority Category Lists  
Note: Numbers rounded to the nearest tenth of a million dollars.

**Delays in Using State School Repair Money Mean More School Deterioration**

Since 1998, the State has approved nearly \$40 million in grants to make repairs at some of the City’s oldest schools. For example, there have been projects to repair code violations and make interior alterations at Beardsley, Columbus, and Wilbur Cross schools and to address code issues at Marin, Roosevelt, and Blackham schools as well as the three high schools.

Some projects for which the State pays up to 80% of the cost were completed, but others have languished for years, leaving almost \$20 million unused, or nearly half the money authorized by the State toward the cost of these projects.

**Where Was the Money?**

The City’s construction of one new school with another three new schools anticipated to be completed by the Fall of 2008 is welcome news for parents and students.

However, the cost implications of the significant construction delays for these schools have been huge – more than \$5 million.

**North End School**

- Approved by the State in June 1999
- \$4.2 million in bonding authorized by the City Council in the 2000-01 capital budget
- Nothing bonded until 2003-04, when \$300,000 was bonded, and 2004-05 when \$5.2 million was bonded

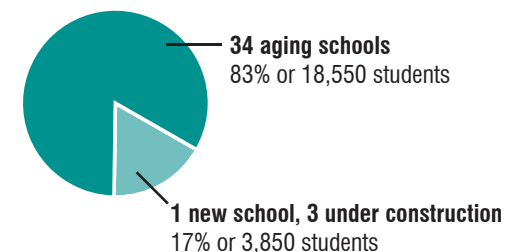
**East End School**

- Approved by the State in June 2000
- \$4 million in bonding authorized by the City Council in the 2000-01 capital budget
- Nothing bonded until 2004-05, when the City issued \$5.2 million in bonds

**City Ignores 18,550 Students**

During 2004-05 and 2005-06, when the City Council did not approve a single item requested by the Board of Education for school repairs, upgrades, equipment or vehicles, the City did borrow money for new school construction.

**Bridgeport Students in Old and New Schools**



**City delays in new school construction will cost taxpayers an estimated \$6 million — nearly half the cost of the City’s share for another brand new school.**

## Borrowed Money Appears, Then Disappears

Not only has the education capital budget been hit hard by funding denied and funding delayed, there is an additional problem. Even funds bonded by the City for items in the education capital budget just can't be counted on.

Sometimes funds bonded for particular education projects appear in one year's City capital budget only to disappear entirely or reappear at a reduced amount in another year's capital budget.



### Examples of Education Bond Funds that Disappeared

EDUCATION CAPITAL BUDGET PROJECT	AMOUNT BORROWED IN CITY CAPITAL BUDGET	ENTRY IN SUBSEQUENT CITY CAPITAL BUDGET
Bassick High School Fire Alarm Replacement	\$600,000	Reduced to \$43,000
District-wide Gym Upgrades	\$100,000	Eliminated
Harding High School Fire Alarm Replacement	\$200,000	Reduced to \$125,000
Nutrition Center Hood & Ventilation System	\$100,000	Eliminated

Source: City of Bridgeport, Authorized Capital Plans 2000-01 through 2006-07

BCAC found nearly 40 examples of similar changes made since 2001 in the bond funding for education capital budget items. Such "bond reallocations" are made by the Mayor and City finance and budget officials.

These bond reallocations have diverted funds from their intended uses. These diversions of education bond funding can delay school projects from moving forward, shift school priorities around arbitrarily, and limit the Board of Education's ability to complete repairs and purchase equipment in a timely way.

## Why is the City Holding Onto Education Bond Funds?

Not only are bond funds for critical school repairs reallocated by the City, but the City also appears to be delaying their use for several years.

### 4 Examples with Nearly \$2 Million in Unused Bond Funds

Beardsley School roof replacement, code & other repairs	\$747,004 bonded 2003 \$586,504 reallocated 2006	Wilbur Cross School roof replacement, code & other repairs	\$679,850 bonded 2003 \$429,050 reallocated 2006
Columbus School roof replacement, code & other repairs	\$750,204 bonded 2003 \$240,954 reallocated 2006	Central High School portable classrooms	\$700,000 bonded 2004 \$700,000 reallocated in 2006

**If the City has unused bond funds for education capital budget projects, shouldn't any interest earned on these bond funds be given to the Board of Education for its use?**

## Six Years and Still Waiting at Harding High School

Built in 1926, Harding High School is the oldest of Bridgeport's high schools. It still has the same boiler that was installed in 1926. In 1999-2000, the Board of Education requested \$150,000 to repair the heating system and \$200,000 to replace the fire alarm system. The City Council authorized the projects in June 2000. The City issued the bonds in May 2001.

Yet, work was only started on these projects during the summer of 2007.

**How was the \$350,000 bonded for these projects used during the last six years?**

**Why was the \$75,000 toward the cost of replacing the fire alarm system diverted by the City in 2004?**

**Why have students at Harding High School had to wait so long for critical repairs to be made?**

**The practice of holding and reallocating bond funds by the City raises questions about where bond funds for education capital budgets have gone.**

### City Charter Specifies Decision-Making for Bond Funds

In most municipalities, the city's governing body, usually a city council or board of aldermen, has responsibility for authorizing how bond funds will be used — and how they can be redirected to another purpose if the cost is less or the project is cancelled.

The Bridgeport City Charter states that after bonds have been issued and funds are transferred to the City, bond funds will be “kept in separate accounts according to the purpose or purposes for which such bonds were authorized and shall be used solely for the purpose or purposes for which such bonds were authorized.”

And, should there be surplus funds remaining after the purpose for which the bonds were issued was accomplished, “the City Council may authorize the use of such surplus bond proceeds for any purpose for which bonds of the City could be issued.”

The City Charter requires that bond funds be used for the purpose(s) for which they were authorized. The Charter also clearly gives oversight responsibility for reallocating bond funds to the City Council.

### Bond Fund Reallocations in Bridgeport Lack Transparency and Accountability

Standard practice in Bridgeport has been to allow the Mayor and Director of Finance to reallocate bond funds. The practice is allowed by a provision that was inserted a few years ago in the bonding authorizations themselves. The bonding authorization resolutions now empower City officials, namely the Mayor and the Director of Finance, “to allocate any unused bond proceeds [to other purposes] ... as deemed necessary or advisable and in the best interests of the City by the officials.”

### City Council Questions the Practice – But Only Briefly

A motion to delete the paragraph in bond authorizations giving City officials the right to reallocate bond funds was debated by the full City Council last year. However, the motion was quickly defeated, an indication of the Council's willingness to abandon its right and responsibility of providing oversight of City finances.

Not only do the Mayor and City finance and budget officials determine what projects in the capital budget get bonded and when or if bond funds will be released, but now they control how any unused bond funding will be reallocated.

### Question:

**What Does it Take to Keep Raindrops Off Students' Heads?**

### Answer:

**Four Years and Buckets and Buckets and Buckets**

Persistent leaks at Hall School left the custodial staff there with no alternative but to place buckets all over the school whenever it rained ... “buckets and buckets and buckets,” they say.

**Eventually, a wall collapsed because of water damage.**

The Board of Education requested \$75,000 in the 2001-02 capital budget to repair the roof. Approval was granted by the City Council in 2001.

**The City did not bond the project for two more years.**

State school repair grants cover the replacement of a school roof that has exceeded its useful life or is leaking. Certainly, Hall School qualified.

The City finally applied for a grant to replace the roof and received approval from the State in March of 2004. Work commenced and was finally completed in 2005, four years after the City Council first approved the project. Bonding and State assistance to replace the roof could and should have been sought far earlier.

**Education bond funds for school repairs are subject to a broken decision-making process that does not reflect the real needs of Bridgeport's schools.**



## **\$60.5 Million in State Money for Schools Unused for Three Years**

In 2004, the State made a special grant of \$25 million for Bridgeport to use in renovating its schools. The favorable terms of this special authorization gave the City great leeway to use funds awarded under a single grant to complete a number of critically needed school renovations and repair projects that are not usually covered by the State's 80% share. It even allowed the City to match the State grant with some of its federal funding rather than use City taxpayer money. Bridgeport schools had great need for the \$25 million in school renovation funds.

Once again, the City was slow to issue bonds, and by March 2007, the City had issued bonds for only 1/3 of its share of the cost of making these needed repairs.

### **Three years later, the City has accessed less than 1/4 of the \$25 million grant.**

Also in 2004, along with the special State repair grant, the State approved \$35.5 million for Bridgeport to use in renovating a building to create "swing space" or classroom space where students could be temporarily housed while large-scale school renovation projects under the \$25 million repair grant were undertaken. When the large-scale renovation projects were complete, the newly renovated swing space facility could become an entirely new school for the district. As of March 2007, only \$600,000 has been borrowed toward the City's share of the costs, and the State has not been billed for any construction expenses.

### **The State's \$35.5 million sat for three years unused, gathering dust.**

In the summer of 2007, the City of Bridgeport finally started to use the State's \$60.5 million.

## **Who's Minding the Store?**

The findings in our report raise a number of questions about accountability not only at the City level, but also with the Board of Education.

- Did Board of Education staff track funding authorized by the City Council for school projects in each year's capital budget to make sure that funds borrowed by the City were actually made available to the schools on a timely basis? Did they make regular reports on funding status to the school board?
- Once bonds for school projects were issued by the City, why didn't the Board of Education press the City to make the funding available for its intended uses?
- Why didn't the Board of Education make the information public about the City's delays or diversions of school capital project funding?

## **City to Board of Education: Don't Count on Us**

In the 2004-05 and 2005-06 school years, not one of the Board of Education's capital budget requests was approved by the City Council.

Last year, the 2006-07 education capital budget request was not approved by the City Council when the capital budget for City projects was approved in June of 2006. Finally, in September 2006, the City Council approved nearly \$2 million for the education capital budget.

One month later, faced with pressing needs and having no assurances about when the City would go out to bond for items in the approved 2006-07 education capital budget, the Board of Education asked the City to find \$215,000 somewhere in the City's capital budget to fund just a few items, including:

- \$15,000 for one public address system when 11 were needed
- \$20,000 for classroom furniture when \$250,000 was needed
- \$20,000 for technology replacements when \$410,000 was needed

Almost one year later, the Board of Education is still waiting for the City to make funds available for these purchases.

## New Haven Does It Right

With comparable student enrollments, public schools in New Haven and Bridgeport ought to be quite similar. They are not. This is due in large part to the very different approaches of each city to its schools.

In 1995, New Haven launched a \$1.5 billion school construction program that, by 2012, will either replace or renovate-as-new every one of its schools. A key factor in the success of New Haven's massive school construction has been the effectiveness of its capital budget and bond appropriation processes.

### New Haven's Capital Budget Provides a Real, Five-Year Plan for Investing In and Maintaining Quality Schools

New Haven's capital budget:

- Is based on a master school facilities plan that is updated annually.
- Provides narrative descriptions and funding requirements for new construction and repair projects. Provides updated funding authorizations and shows any changes in funding required for all State school construction or repair projects on a project-by-project basis.
- Provides increased amounts of funding each year for upkeep and improvements to school facilities. Examples include, but are not limited to interior and exterior painting and replacements of doors, floor and ceiling tiles, light fixtures, roof surfaces, paving and fencing, and heating systems. Funds are also included each year to address environmental management projects, such as lead and mold abatement and air quality improvement.

### New Haven's Capital Budget and Funding Process Is Timely and Reliable

- The Board of Aldermen authorizes the full amount of bonding required by the New Haven Board of Education for its school construction and renovation projects. Bonding by the City of New Haven for items in the education capital budget occurs regularly and does not delay the progress of school construction, improvements and repairs, or purchases of capital items.
- Funds bonded for schools remain dedicated to education and cannot be reallocated to other city projects unless the Board of Aldermen de-authorizes the original budget appropriation at the request of the Board of Education.
- Funds bonded for school construction can only be moved to other authorized school projects with approval of the Board of Education, the Citywide School Construction Committee, and the Board of Aldermen. This process takes several months to complete, but it provides accountability and a reliable, flexible way for the Board of Education to manage its capital funds.
- Oversight of school construction/renovation projects and the capital budget is the responsibility of a construction manager, a skilled professional who communicates complete, accurate, and timely information to all decision-makers.

### Hallmarks of New Haven's Effective Education Capital Budget Process

- ✓ Full transparency
- ✓ Accountability
- ✓ Education capital funds are dedicated to education
- ✓ Strong communications and coordination between the City of New Haven and the Board of Education
- ✓ Shared decision-making by the City of New Haven and the Board of Education with the Board of Education deciding priorities
- ✓ Annual capital budget based on a comprehensive and up-to-date master school facilities plan
- ✓ Reliable capital budget procedures and processes
- ✓ Reliable city funding procedures and processes
- ✓ Bonding in a timely way to keep all projects moving forward on schedule
- ✓ Flexible use of funds with appropriate checks and balances
- ✓ Professional management by the school district

## RECOMMENDATIONS TO PUT TRANSPARENCY AND ACCOUNTABILITY INTO BRIDGEPORT'S CAPITAL BUDGET PROCESS

**Reform of the education capital budget process is essential to keep Bridgeport's schools in good repair, provide a quality education to all students, and restore the public trust.**

### Recommendations for the Mayor and City Council

- Rely on the Board of Education to set priorities for its capital budget annually and during the school year.
- Require the Board of Education to develop an annual education capital budget that incorporates regular, ongoing programs for general facility repairs and improvements, equipment purchases, major capital projects, and new school construction for which the State pays up to 80%.
- Approve, authorize, and fund the annual education capital budget requested by the Board of Education.
- Issue bonds to fund projects in each year's authorized education capital budget as soon as possible after the start of each fiscal year so that repairs, renovations, and equipment orders can be completed in a timely way.
- Spend funds bonded for education capital budget projects ONLY on education capital budget projects.
- Provide to the Board of Education operating budget any interest earned on the investment of education capital project bond funds that are not used right away.
- Bring transparency to the capital budget process by communicating ALL education capital budget actions, including amendments, regularly to the Superintendent of Schools and the Board of Education.

### Recommendations for the Superintendent of Schools

- Develop and annually update a five-year school facility master plan that is presented each year to the Board of Education, City Council, and Mayor.
- Develop an education capital budget each year that (1) addresses all problems with the physical condition or functionality of school buildings; (2) provides funds for a program of regular upgrades and improvements to keep all schools in good condition; (3) adequately equips schools and provides school vehicles; and (4) funds the construction of new schools.
- Monitor and be involved in the education capital budget approval AND funding process.
- Implement a project management system that tracks construction and repair progress and ensures that bonds have been issued by the City and made available to the school district on a timely basis.
- Make quarterly reports to the Board of Education, parents, and the public on the status and progress of all capital budget items.

### Recommendations for the Board of Education

- Annually approve an updated school facility master plan.
- Based on the up-to-date school facility master plan, approve an annual education capital budget that incorporates regular, ongoing programs for general facility repairs and improvements, equipment purchases, major capital projects, and new school construction for which the State pays up to 80%.
- Monitor and be involved in the education capital budget approval AND funding process.
- Require the Superintendent to report quarterly on the progress of all education capital budget items.
- Hold the Superintendent accountable for improving school facilities and staying within budgets.

As parents and community leaders, we have a critical role in ensuring that our schools get the funding needed to provide a healthy and safe learning environment for our children.

We must demand transparency and hold our elected officials accountable – from the Mayor to the City Council to the Board of Education – for reforming the capital budget process and providing funding needed to keep our schools in good repair.



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