

## RCSD modernization plagued by overruns, shifting priorities

### Overruns

THE \$1.3 BILLION BET SPECIAL REPORT

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Rochester's schools modernization program, the most costly public works project in local history, was supposed to be a transformative undertaking.

Over 15 years, as much as \$1.3 billion would be invested in city educational infrastructure, bringing dozens of aging school buildings up to code and into the 21st century.

Rochester public-school students, many of whom come from humble backgrounds, would get the schools they deserve.

"It says something to the people who are in the schools — that we are investing in the building, so we are investing in you," said former Rochester Mayor Thomas Richards, a product of city public schools who now chairs the appointed board overseeing the program. "It expresses something about our commitment to them and about our expectations."

The first phase of the transformation, which cost \$325 million, is now nearing completion. Richards and others say it was a success. Seven schools were fully modernized, making them the approximate equal of their counterparts in the suburbs.

But in other ways, Phase I fell far short of expectations. As a *Democrat and Chronicle* watchdog investigation has documented, the first portion of the modernization program was beset by cost overruns, shifting priorities and ever-changing leadership.

"I think Phase I was a learning curve for everybody. I don't think you would point to Phase I as a major success," said Carolee Conklin, who chairs City Council's finance committee.

Among the issues:

- » The Phase I work plan was radically changed in mid-stream by the sevenmember oversight board, appointed jointly by city and school district. Work at some schools was canceled or scaled back. Trouble with state-aid reimbursement forced managers to shuffle funds on the fly.
- » Changes were so poorly communicated that School Board President Van White said recently he had no idea that modernization officials had canceled virtually all modernization work at the Jefferson High building, which houses what White considers one of the most successful schools in Rochester.
- » Some praised the program's minority and women's business component (M/ WBE), but it was also the focus of an FBI investigation into reports of improprieties, and critics derided a job-training effort.
- » Unhappiness with the M/WBE, management and funding issues prompted some political leaders to threaten

to block the second phase of work, and Rochester Mayor Lovely Warren sought to overturn the board and replace the company overseeing the project, Gilbane Building Co.

» One of the program's most strident critics, state Assemblyman William R. Nojay, said the first phase of work was "miserably managed" to the point where Phase I tasks had to be shifted to Phase II.

"They are robbing Peter to pay Paul, leaving Peter without enough money to finish his work," said Nojay, who also attended city schools. So great was the dissatisfaction with Phase I that change was demanded and Warren won more control over how things would be done in Phase II.

"Phase I to me lacked oversight, lacked commitment. They got all these hundreds of millions of dollars and literally what was the benefit to the community? At certain schools absolutely there was an improvement," said Warren, another product of city schools. "But for the amount of money that was spent ... we would have come out better off in the long run if we'd thought about this differently."

### **A massive undertaking**

A program to modernize Rochester's aging school-building portfolio was first discussed in the early 2000s and unveiled publicly in 2006.

As first conceived, it was grand in scale. Some of the city's oldest educational structures, dating to the horse and buggy days, would have been razed and eight new buildings erected in their place.

But those plans crumbled amid changing priorities and long delays. It wasn't until January 2011 that a detailed plan was approved for Phase I renovation and expansion at a dozen existing schools.

The first wrecking ball swung the following summer. Phase I is expected to wrap up in the coming months. By all accounts, the work that was done was done well, but there are still questions about whether it was the right work to be doing.

Warren, who years ago expressed concern that the district's poor planning could cost big bucks, has seethed over what she saw in Phase I. "I've been pushing back against the district, telling them 'You need to be more aware of what's happening at those schools and what's going to happen going forward,'" she said.

The district's inability to get a handle on its shrinking student population has made planning difficult. So have edicts that failing schools be closed.

"To be fair to the district, this is very hard to do," said Richards. "Sitting here and saying what is this district going to look like 20 years from now — that's a tough job."

But Warren and others say frequent reorganizations and a near-continual churning of new educational approaches are a plague on the project.

"There's a general flip-flopping, almost schizophrenic way in which the district proceeds," White agreed.

### **Expensive expedition**

For example, Jean-Claude Brizard, who was the superintendent when much of the planning for Phase I was done, advocated that the World of Inquiry School 58, which traditionally had been an elementary school, be turned into an unusual K-12 expeditionary-learning institution.

That has been done. Its \$44 million price tag made World of Inquiry the most expensive project by far in Phase I, but the building on University Avenue is a showpiece and the school itself continues to be highly regarded.

“How could one not be impressed with the work that was done there?” White said. “I know there were delays. But man, it appears to be worth it.”

There was a catch.

State building-construction aid is structured around traditional school formats. The state covered 85 to 98 percent of the cost of construction work at the elementary and high schools.

But World of Inquiry broke that mold, and for that building’s specialized needs, the state would pay only 65 percent of those costs.

The district has to pay the rest — \$2.5 million a year for the next 15 years.

### **Shifting priorities**

Brizard also believed it would be best to place seventh- and eighth-graders in elementary schools, so during Phase I, five elementary buildings were converted to K-8 schools.

But district officials are now talking about going back to the more traditional elementary-middle school approach.

When Bolgen Vargas replaced Brizard in 2011, he wanted longer school days and a school year that extended into the summer — so he decreed that air conditioning be installed in as many schools as possible.

Design work had to be hastily redone to accommodate his wishes.

The architects found it would cost \$7.5 million to retrofit five schools, but where would the money come from?

The answer was found in northwest Rochester, where \$28 million in work had been planned for the Jefferson High building. The joint board nixed the Jefferson project in November 2012 and rerouted some of the money to pay for air conditioning.

“These were things that were more important to the district and it was perfectly logical to do,” said Tom Renauto, the joint board’s executive director.

White, who said he knew nothing of the decision, disagreed, saying Jefferson is home to the Rochester International Academy, which he termed one of the district’s crown jewels.

“If somebody had said to me ‘air conditioning or Jefferson?’ I would have said, ‘How can we accommodate both?’ ” White said.

### **Juggling money**

Plans for other high schools were turned on their heads in several ways.

A total of \$55 million initially earmarked for Monroe, East, Edison and Jefferson was spent elsewhere.

Some amount of that money — how much isn't clear — was used to address a vexing, behind-the-scenes problem at five elementary schools and School 58: The true costs to renovate and furnish those six schools was far greater than the amount the state was willing to reimburse.

This would have pushed an unacceptable portion of the cost onto the school district.

Whether this was the fault of inattentive program manager Gilbane or a spendthrift Brizard administration remains unclear. A 2014 audit commissioned by the board had it both ways.

After Phase I had begun, the problem was “solved” when the state Education Department let the joint board shift costs from project budgets into a catchall category that would be eligible for reimbursement.

It was a necessary artifice. Without it, the local share might have been so great that Phase I would have had to be scaled back even more than it was. (The habitually cash-strapped district had planned on covering \$30 million itself and wound up on the hook for about \$38 million.) And there was more.

At East High, which was slated for modernization work, between \$1 million and \$3 million more had to be found to reconfigure the school after the Vargas administration decided to turn the failing school over to the University of Rochester for revival.

Both Edison Tech and Charlotte housed two separate schools. Modernization work was done with that in mind.

But no sooner did work finish than the district began planning changes. The

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**A new skylight brightens an area in James P. B. Duffy School 12. The first phase of Rochester's schools modernization project, which cost \$325 million, is now nearing completion.**

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**Brown Timothy installs ceiling panels on the second floor of School 12. The school is scheduled to reopen next fall.**

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**Work crews clean the outside brick of School 12.**

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twin schools at Edison were killed off, and one of the two institutions at Charlotte shuts its doors for good later this month.

“They spent millions of dollars turning it into two schools,” Warren said of Charlotte. “Now they’re only going to use half of it.”

### **New goal: Flexibility**

In edu-speak, what happened at Edison and Charlotte was programmatic modernization. Translation: Work was done to make room for specific programs in vogue at the time the architects drew up their plans.

When the programs changed, as they inevitably did, money was wasted.

Joint board president Richards said they've taken steps to make sure this doesn't happen again.

"We do what we can to make sure these schools are not designed for a particular programmatic approach," Richards said of Phase II. "We're trying to pick schools that the district feels will be with us for the long haul."

This time around, the goal is to create buildings flexible enough to accommodate all sorts of programs.

The master plan for Phase II, just made public, calls for work on 13 school buildings — nine elementary schools and four secondary schools.

East, Edison and Monroe, which were in Phase I, are in the new work plan again. An estimated \$139 million would be spent at those three schools. (Interestingly, the master plan says work at East will be done to accommodate the innovative programs being put in place by the UR.) The state legislation that authorized Phase II included language meant to prevent Phase I's state-aid boondoggle. As a further safeguard, legislation is pending in Albany that would allow Rochester's modernization program to receive double the normal ration of state reimbursement for each elementary school in Phase II.

The idea is to be able to gut and rebuild the structures in one fell swoop, rather than piecemeal as the state aid rules currently allow, officials said.

The stakes are high; if the legislation doesn't pass, the district's plan for Phase II is dead in the water.

Nojay, who opposes the bill, believes this double-dipping was necessitated by what he sees as bungling.

"It's basically an admission that Phase I was a bust and now they need to use Phase II funds to cover the millions of dollars of shortfall from the screwups," he said.

Nojay, a conservative Republican from Pittsford, and Warren, a liberal Democrat from the city, have been among the most vocal critics of the modernization program.

Each found fault with Phase I. When the next phase began to ramp up in 2015, each would make their presence felt — in ways that no one could have predicted.

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