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Top guns on schools mess

Best in biz will tackle 2.3B construction budget gap

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Struggling to close a projected $2.3 billion gap in the school construction budget, Schools Chancellor Harold Levy said yesterday that he is naming a team of real estate hotshots to help find ways to stretch construction dollars.

Peter Lehrer, co-founder of Lehrer McGovern, one of the city's largest construction management companies, will head Levy's 13-member Capital Plan Commission when it meets for the first time today.

Levy had pledged to create such a panel in July, when Gov. Pataki's Moreland Commission charged that school officials irresponsibly plowed ahead with construction projects even though they knew there wasn't enough money for them.

Right now, it would take about $4.25 billion to complete all the projects on the Board of Education's five-year capital plan. But officials said they have only $1.94 billion left.

The gap means half of the board's remaining projects will have to be put on hold or scrapped entirely.

Board members are to meet next Wednesday to decide which projects get funded and which will be dumped.

Board president Ninfa Segarra predicted the coming battle would be a "bloodbath," and said the new commission would not be able to come up with solutions in time to deal with the current crisis.

"If the staff hasn't been able to figure out how to save money, I don't see how this commission will be helpful to us right now, as we try to bridge a gap of more than $2 billion," she said.

The Moreland Commission blamed Board of Education officials for creating the budget crisis by deliberately lowballing estimates for how much projects would cost, among other alleged failings.

Levy acknowledged the budget process was flawed, but said part of the gap was caused by the booming economy driving up construction costs and the difficulty of estimating costs five years into the future.

Levy's panel, which board members acknowledged includes some of the best in the business, is charged with finding ways to save money in the $7 billion plan and suggesting fixes in the budgeting process that created the gap.

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