

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, OCTOBER 2, 2024 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
JOSEPH A. MCNAMARA BOARD ROOM**

1. NOTICE OF PUBLIC MEETING/PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF MEETING MINUTES
 - a. Board Open Session Meeting Minutes of September 4, 2024
 - b. Board Executive Session Meeting Minutes of September 4, 2024
4. AUTHORITY MATTERS
 - a. CEO Report
 - i. 2023 Annual Report Pursuant to Executive Order No. 37
 - b. Chairman's Report
5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)
6. REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE (CHAIRMAN'S REPORT)
 - a. Recommendation for the Settlement of Claims Asserted by Ernest Bock & Sons, Inc. in Connection with the Camden High School, Irvington Madison Avenue Elementary School, Newark Hawkins Street School and Wilson School Annex, Bridgeton Senior High School and Bridgeton Buckshutem/Quarter Mile Lane Elementary Schools Projects **(to be discussed in Executive Session and voted on upon the Board's return to Open Session)**
7. MONTHLY REPORTS
 - a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Status Reports
 - iii. Contracts Executed Report/Amendments & Change Orders Executed Report
 - iv. Contract Terminations Report (*no activity*)
 - v. Settlement Activities Report (*no activity*)
 - vi. Diversity and Workforce Participation Report
 - vii. Regular Operating District Grant Activity Report
 - viii. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
 - ix. Communications Report
 - x. Monthly Financial Report
 - xi. Design Contract De-Obligations Report (*no activity*)
8. EXECUTIVE SESSION
 - Recommendation for the Settlement of Claims Asserted by Ernest Bock & Sons, Inc. in Connection with the Camden High School, Irvington Madison Avenue Elementary School, Newark Hawkins Street School and Wilson School Annex, Bridgeton Senior High School and Bridgeton Buckshutem/Quarter Mile Lane Elementary Schools Projects
 - Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)
9. REQUEST MOTION TO ADJOURN PUBLIC MEETING

APPROVAL OF MEETING MINUTES

September 4, 2024 Open Session Minutes

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, SEPTEMBER 4, 2024**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, September 4, 2024 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

John Capo, Public Member

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being all the Members of the Board. Mr. Gumble, Mr. Lewis-Powder, Mr. Maloney, Mr. Moore, Mr. Nixon, Mr. Piaia and Ms. Vecchione participated by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Janice Venables, vice president and assistant secretary; Ramy Kamel, vice president; Albert Barnes, chief counsel; Jane Folmer-Kelleher, senior ethics manager and OPRA custodian; and Robert Daniel, senior research analyst of the SDA

participated in the meeting. Alexis Franklin of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

Pledge of Allegiance

Led by the Chairman, the assembled Members stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who requested that Ms. Venables read the requisite notice of the meeting. Ms. Venables announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and was duly posted on the Secretary of State's bulletin board at 225 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Venables then conducted a roll call and indicated that a quorum of the Members of the Board was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's August 7, 2024 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Burgos, the Open Session minutes of the August 7, 2024 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a***.

Mr. Nixon presented for consideration and approval the minutes of the Board's August 7, 2024 Executive Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Piaia and seconded by Mr. Vargas, the Executive Session minutes of the August 7, 2024 SDA

Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as *Resolution 3b*.

Authority Matters

CEO's Report

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva provide an update on design-build projects in construction. He said that for the Millville High School project, the final stages of the project are being completed and management expects to be done next week. For the Perth Amboy High School project, he advised that the school was delivered, the ribbon cutting ceremony was last week, and the school is ready to be occupied by the students this week. With respect to the Union City New Grade 7-9 School project, he reported that final design documents and permits have been released. He added that interior concrete masonry unit walls and building rough in work continues.

Turning to design-bid-build projects in the construction stage, Mr. Da Silva said that for the Orange Cleveland Street Elementary School project, the school was given a temporary certificate of occupancy and is being prepared for the first day of classes this Friday.

Next, Mr. Da Silva gave an update on projects with active early site preparation. He advised that for the Garfield New Elementary School project, site preparation activities continue and bids are due October 16 for the design build procurement. For the Elizabeth New Elementary School project, he said that demolition of the Joseph Battin School continues to make way for the new 142,000 square foot new school facility. He added that last month, management highlighted the demolition with an event attended by the District and local officials at the former school site.

Mr. Vargas said that he, along with Mr. Nixon and Ms. Vecchione attended the Perth Amboy High School ribbon cutting. He said that the school is amazing, large and that the ribbon cutting was also amazing. He added that at the ribbon cutting, Superintendent Roman made sure that everyone knew that the school is amazing and he also involved the community in the program.

Mr. Nixon agreed with Mr. Vargas and said that ribbon cutting was amazing. He said that he was scrolling through pictures and came across the beam signing and then thinking of the ribbon cutting was a wow factor. He added that the ribbon cutting was positively covered and everyone in the community is excited. He said that he hopes that all the young men and women today are in the building and pumped to be there.

Next, Mr. Da Silva said that today he was two related staff items to address. He said that we have with us today Ramy Kamel, the new vice president of program and construction operations who started the previous week. He advised that Mr. Kamel brings with him 23 years of experience in real estate and construction working on numerous large-scale projects across many states. He added that his experience is mostly working for large construction companies, as an owner's representative in the construction management area, managing several projects at a time. He noted that Mr. Kamel holds a Bachelor of Science in Civil Engineering, a Masters in Construction Management, and a Masters in Business Administration.

Mr. Kamel said he is excited to be at the SDA and on his second day of work he was able to attend the ribbon cutting at the Perth Amboy High School. He added that he started within the program when he came out of college at an entry level position dealing with the Department of Community Affairs on a daily basis. He said that he has seen how this program has come a long way.

Next, Mr. Da Silva said that he wanted to finish today's CEO report by acknowledging the retirement of our senior ethics manager and OPRA custodian, Jane Folmer-Kelleher. He advised that Ms. Folmer-Kelleher joined the Authority in 2003 with a long and successful career at SDA. He added that she is well respected and has contributed immensely to our success. He said that she's taking the next step in the journey we call life, and decided to move on to the next chapter in that journey, retirement. He congratulated Ms. Folmer-Kelleher on her retirement and thanked her for her many years of service and commitment to the SDA's mission.

Ms. Folmer-Kelleher thanked the Board Members and the Designees for all of their hard work for the State of New Jersey and for the school children of the State. She added that she has been training her two successors. She said that it's been an honor and pleasure to work with staff and Board Members.

Mr. Nixon congratulated Ms. Folmer-Kelleher on her upcoming retirement. He said that she is an absolute class act dealing with OPRA and ethics. He added that he is very happy for her on her retirement.

Appointment of Records Custodian

At the Chairman's request and referencing the memorandum that was provided to the Members in advance of the meeting, Mr. DaSilva explained that, pursuant to the Open Public Records Act (OPRA) (N.J.S.A. 47:1A-1 et seq.), requests by members of the public for public documents shall be handled by a public entity's "records custodian". He said that the Act defines "Records Custodian as the "...officer officially designated by formal action of that agency's director or governing body..." to perform this function. He advised that SDA employee Robert S. Daniel currently works as senior research analyst and routinely locates records for the Division of Chief Counsel in relation to litigated matters, and has worked with the Records Custodian to learn the SDA processes followed in responding to requests by the public

for SDA public records. He said that Management now recommends that the Members of the Authority designate Robert S. Daniel to serve as the SDA's Records Custodian until such time as his successor shall be elected by the Board.

Upon a motion by Mr. Luckie and seconded by Mr. Vargas, the Board approved the nomination of Robert S. Daniel to serve as the Authority's Records Custodian with the Members' unanimous vote in favor of *Resolution 4ai*.

Audit Committee

Proposed Changes to SDA By-Laws and Audit Committee Charter to Conform to P.L. 2023, c.311; Information Technology Support Services Contract; SDA's 2023 Audited Financial Statements

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on August 26, 2024 at which time management provided the Members that there was a \$7.1 million decrease in the 2011 Emergent Projects Reserve balance. He said that the increase in commitments is due to Board approval of the release of funds for the Gloucester City Junior High School emergent partial roof replacement project and the Union City Emerson Middle School emergent exterior masonry project. He advised that there were no changes in any of the other SDA reserve balances for the reporting period. Additionally, he reported that there were no changes in the reserve balance for the Regular Operating Districts.

Next, Mr. Nixon provided the July 2024 Financial Report. He reported that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$8.1 million, down \$1.8 million as compared to the budget for the corresponding period. He said that this variance is attributable to lower activity for personnel costs, professional and other contracted services, informational systems, facilities and general office expenses and SDA owned automobiles, offset by lower payroll and benefits expense allocation to project costs. He noted that the current full

time equivalents (FTE) headcount is 129 through July 31 representing an 18 FTE decrease compared to year-to-date projections. Mr. Nixon then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total \$179.4 million, are \$56.7 million lower as compared to the capital spending forecast for the corresponding period. He advised that this variance is due to lower costs associated with construction work, grant agreements, property acquisitions, project insurance and construction management services. He further reported that project expenditures (Actual vs. Prior Year Actual), at \$179.4 million, are \$13.1 million higher when compared to the capital sending forecast for the corresponding prior year period. He said that this variance is a result of an increases in spending for property acquisitions, grant agreements and school furniture, fixtures and equipment, partially offset by a spending decrease in construction work. He said that, since program inception, 82% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.55 billion.

Next, Mr. Nixon advised that, in compliance with the Board's 2019 changes to the SDA Bylaws and Audit Committee Charter, the CEO provided the Committee with an update regarding Authority personnel matters and changes.

Mr. Nixon then said that the Audit Committee is presenting three agenda items for consideration by the Board today. Referencing materials that previously were provided for Board review, Mr. Nixon advised that management and the Members of Audit Committee are recommending that the Board approve the proposed changes to SDA By-Laws and Audit Committee Charter to Conform to P.L. 2023, c.311. He advised that the Authority is authorized to "adopt bylaws for the regulation of its affairs and the conduct of its business" pursuant to law.

He said that SDA's By-laws were adopted by the Authority in 2007 and amended in 2014 and 2019. He noted that Article IX, Section 9.1 of the Authority's By-laws establishes the Audit Committee as a standing committee of the Authority. He said that the Audit Committee Charter was adopted in 2007 and amended 2019 and sets forth the authority, composition, meetings, voting, and specific responsibilities of the Audit Committee. Mr. Nixon noted that, as the Members are aware, recent legislation enacted into law on January 16, 2024 and codified -- P.L. 2023, chapter 311-- calls for various modifications to SDA's operations, including changes to the composition and obligations of the SDA Board. He then requested that the Members amend the SDA By-Laws and Audit Committee Charter to effectuate changes made necessary by the recent legislation that amends the SDA enabling statutes regarding the number of Members, what constitutes a voting quorum and the hiring, termination or disciplining of an SDA executive team member.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Piaia, the Board approved the proposed changes to the SDA By-Laws and the Audit Committee Charter with its unanimous vote in favor of ***Resolution 5a***.

Next, Mr. Nixon discussed management's and the Audit Committee recommendation of an award for a 3-year contract for information technology support services. He reminded the Members that for some time, SDA has used the services of an outside firm to provide critical network, hardware and software maintenance services in order to avoid critical systems failures that lead to excessive network or extended system outages. He explained that these services, which include on-site technical support and consulting services, were last competitively procured in 2020 and will expire November 2024. He reported that a competitive procurement process to continue the availability of the services began on May 30, 2024. Mr. Nixon advised that

following the procurement process, management recommends, and the Committee concurs, the award of a three-year contract not-to-exceed \$1 million to Custom Computer Specialists, Inc. He added that the contract term may be extended for 1 additional year subject to Board approval.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Piaia, the Board approved the award for network, hardware and software support services to Custom Computer Specialists, Inc. with its unanimous vote in favor of ***Resolution 5b.***

Next, Mr. Nixon discussed management's and the Audit Committee recommendation to approve the SDA's 2023 Financial Statements. He advised the Members that Ernst & Young, LLP (E&Y), SDA's independent auditor, presented the Committee with the 2023 financial statements and audit results. He said that E&Y reported that the Audit was performed consistent with the established audit plan presented in November 2023. He said that E&Y outlined the areas of emphasis and the thought process utilized in the development of the Audit and reported that the financial statements contained no corrected misstatements or material uncorrected misstatements. He noted that E&Y reported that they did not find any matters that would rise to the level of either a material weakness or significant deficiency. He explained that the Independent Auditor's Report expresses an unmodified or clean opinion which suggests that the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and the changes in financial position for the year ended consistent with generally accepted accounting principles.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Capo and seconded by Mr. Burgos, the Board approved the SDA's 2023 Audited financial statements as presented with its unanimous vote in favor of ***Resolution 5c.***

Lastly, Mr. Nixon advised that, in accordance with Executive Order 122, at the conclusion of the Committee Meeting, Ernst & Young met with the Committee and SDA's Director of Internal Audit, Mohammed Kathawala without Management present.

Real Estate Committee

Recommendation for Renewal of Use and Occupancy Agreement with the Jersey City Public Schools for SDA-Owned Property Adjacent to Julia A. Barnes School (PS No.12)

Upon Mr. Nixon's request Mr. Vargas said that the Real Estate Committee met on August 19, 2024 advising that the Committee is presenting two agenda items for consideration by the Board today. Referencing materials that previously were provided for Board review, Mr. Vargas advised that management and the Members of Real Estate Committee are recommending that the Board approve the renewal of a Use and Occupancy Agreement with the Jersey City Public Schools for SDA-Owned Property (Property) adjacent to the Julia A. Barnes School, PS No.12 (School). He advised that the Property is designated as Tax Block 16902, Lot 24 in Jersey City (District). He described the Property as consisting of a fully fenced, gated and paved, gravel and grass covered lot that was acquired by the SDA as the site for a prospective expansion of the School. He said that the expansion project was never advanced and is not included in the current SDA Capital Plan and, as a result, the Property is no longer needed for construction of the project allowing for its temporary third party use in accordance with the applicable provisions of N.J.A.C. 19:35. He advised that the current Use and Occupancy Agreement (U&O, Agreement) with the Jersey City Public Schools District for the Property was effective September 24, 2021 and will expire on September 23, 2024. He said that the recommended renewal of the Agreement will be for a term of 3 years, subject to the SDA's right to terminate on 30 days written notice. Mr. Vargas noted that the District will pay a nominal use fee of \$1.00, and will assume responsibility to secure and maintain the Property and to insure all risks

associated with its use of the Property. He said that pursuant to N.J.A.C. 19:35, any renewal or extension of a U&O, must be approved by the Board if the resulting renewal or extension will result in an aggregated use term exceeding three years noting that the extension proposed today results in a total term exceeding three years and thus requires Board approval. Mr. Vargas said that management and the Real Estate Committee recommend that the Members approve the proposed renewal of the U&O with the District for this Property.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Board approved the renewal of the Use & Occupancy agreement with the Jersey City Public Schools for SDA-Owned property adjacent to the Julia A. Barnes School as presented with its unanimous vote in favor of ***Resolution 7a***.

Mr. Vargas then advised, for informational purposes, in today's materials is the July 1, 2024 Leased/Licensed Real Estate Owned Report (Report) for N.J.A.C. 19:35, Disposition of Surplus Real and Personal Property of the New Jersey Schools Development Authority Report. He noted that the SDA Board previously approved for adoption and publication updated Rules for Disposition of Surplus Real and Personal Property of The New Jersey Schools Development Authority, N.J.A.C. 19:35. He advised that in accordance with reporting requirement, management is now presenting the Report. He then advised that the second voting item on the agenda will be discussed in executive session and voted on upon return to the open session of today's Board Meeting.

Public Comments

At this time Mr. Nixon announced that the public comments portion of the Meeting will commence consistent with the New Jersey Open Public Meetings Act. The Chairman opened the Public Comments portion of the meeting. Mr. Nixon recognized Nikki Baker. Ms. Baker

welcomed everyone to a new school year starting in September. She thanked the SDA for all the work they do. Ms. Baker said that she is with New Jersey Work Environment Council and she is the organizer for the Healthy Schools Now (HSN) campaign. She said that they have a coalition of over 130 organizations and still growing, advocating for safe and healthy facilities. She said that she is coming to the Board today with some sad news, noting that on August 21, 2024 they found out that they lost a friend and former organizer for HSN, Angelina Carione. She said that Ms. Carione lost her battle to breast cancer and leaves behind a very young son, husband, family and many friends and colleagues. She said that Ms. Carione was an organizer and at New Jersey Work Environment Council for the HSN program. She added that in 2015, Ms. Carione was a former educator and later became a liaison in government relations for the New Jersey Education Association. Ms. Baker said that it's a very sad moment but she wanted to lift Ms. Carione up because of her foundation and the work that she did is helping those that came behind. Ms. Baker said that she is now in the position that Ms. Carione had but she did not want to leave without mentioning her memory and the sadness that it will bring but also lift up the joy because she was a wonderful person. She added that you could always look up to Ms. Carione, talk to her and that she was a beautiful soul.

Mr. Nixon asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Venables to announce the matters to be considered by the Board in Executive Session. Ms. Venables advised that, the Board will adjourn into Executive Session to discuss two items: the first, is a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects; the second is a proposed Request for Approval of Proposed Agreement to Resolve Encroachment onto SDA-Owned Real Property in Jersey City. She said that the Board will vote on these matters upon return to Open Session.

Upon motion by Mr. Vargas and seconded by Mr. Burgos the Board unanimously voted to approve **Resolution No. 9.** and thereby adjourn the Open portion of the meeting into Executive Session.

Following the Board's return to Open Session, Mr. Luckie announced that in Executive Session the Board had discussed management's and the School Review Committee's recommendation for approval of a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the Board approved a Recommendation for the Settlement of Claims Asserted by Epic Management, Inc. Relating to the Paterson Union Avenue Middle School and Plainfield Elementary School Projects with the SDA with its unanimous vote in favor of **Resolution 6a.**

Next, Mr. Vargas announced that in Executive Session the Board had discussed management's and the Real Estate Committee's recommendation for approval

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Burgos, the Board, approved proposed Request for Approval of Proposed Agreement to Resolve Encroachment onto SDA-Owned Real Property in Jersey City with the SDA with its unanimous vote in favor of **Resolution 7b.**

Adjournment

There being no further business to come before the Board, upon motion by Chairman Nixon and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its September 4, 2024 meeting.

/s/ Janice Venables
Assistant Secretary

Resolution—3a./3b.

Approval of Minutes

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the September 4, 2024 Board meeting of the New Jersey Schools Development Authority, for the Open and Executive Sessions were duly forwarded to the Office of the Governor following the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's September 4, 2024 Open and Executive Session meetings are hereby approved.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: October 2, 2024

AUTHORITY MATTERS

CEO REPORT

2023 Annual Report Pursuant to Executive Order No. 37 (2006)

**New Jersey Schools
Development Authority**

**Annual Report
2023**

About the Annual Report

The 2023 Annual Report on the operations of the New Jersey Schools Development Authority (SDA) is presented pursuant to the provisions of Executive Order No. 37 (Corzine), issued on September 26, 2006. The report provides a comprehensive overview of the SDA's operations, highlighting significant actions taken in 2023.

The SDA operates under the Educational Facilities Construction and Financing Act (EFCFA) of 2000 and subsequent August 2007 legislative amendments.

For more information, please refer to the SDA website at www.njsda.gov or the most recent Biannual Report on the School Construction Program at:

https://www.njsda.gov/Content/public/Biannual_Report/2024_1.PDF

Mission Statement

Our mission is to deliver high-quality educational facilities that best meet the needs of the students of the State of New Jersey. We promote fiscal responsibility in the management of taxpayers' resources, while providing efficiently designed facilities that enhance the academic environment.

SDA Executive Staff

Manuel M. Da Silva
Chief Executive Officer

Donald R. Guarriello
Vice President and Chief Financial Officer

Janice Venables
Vice President – Corporate Governance

Board Members

Public Members

Robert Nixon
SDA Chairman

Director of Government Affairs, NJ State Policeman's Benevolent Association

John Capo

*Director, Bricklayers and Allied Craftworkers
Administrative District Council of NJ, Locals 4 & 5*

Daniel Gumble

Business Representative, I.B.E.W. Local 164

Lester Lewis-Powder

Executive Director, Let's Celebrate, Inc.

Michael Maloney

President, Mercer County Central Labor Council

Mario S. Vargas

Broker/Owner, Senior Health Navigators, LLC

Nicole Vecchione

Director of Research, Laborers' Eastern Region Organizing Fund

Ex-Officio Members

Kevin Dehmer

Acting Commissioner, New Jersey Department of Education

Jacquelyn A. Suárez

Commissioner, New Jersey Department of Community Affairs

Tim Sullivan

Chief Executive Officer, New Jersey Economic Development Authority

Elizabeth Maher Muoio

State Treasurer, New Jersey Department of the Treasury

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Message from the CEO

The Schools Development Authority (SDA) welcomes the opportunity to report on its continued achievements respective to our mission of constructing high-quality educational facilities that best meet the needs of the students of New Jersey. Through careful coordination with our contracting partners and the school districts we serve, the Authority is able to employ the resources and expertise needed to construct quality school buildings. The accomplishments of the Authority in 2023 highlight its ongoing efforts to ensure New Jersey’s exemplary educators and talented students have facilities that help support a dynamic learning environment in which students can succeed in the 21st century economy.

Governor Murphy and the New Jersey Legislature once again displayed their steadfast support of school construction in the state through another \$75 million budget appropriation dedicated to Capital Maintenance and Emergent Grant Funding for both SDA Districts and Regular Operating Districts (RODs) in Fiscal Year 2024. The school districts are able to direct these funds to facility improvement projects they deem most needed in their schools.

With significant facility needs statewide, the Murphy Administration announced the availability of grant funding for high-priority capital projects statewide through the ROD Grant Program in January 2023. Later in the year, the New Jersey Department of Education and the SDA announced the approval of nearly \$450 million in school construction funds to address critical facilities needs in 261 school districts throughout the state. This funding will assist districts with undertaking critical facility improvements at hundreds of New Jersey school buildings. SDA Grants staff also administered payments related to grants approved through previous funding allocations including the close-out of 35 grant projects that represent more than \$35 million in total project costs.

Noteworthy activity on capital projects in SDA Districts proceeded throughout the year. In 2023, the SDA opened one new school in Plainfield and completed addition/renovation projects in Keansburg and Millville. The SDA also employed an alternative delivery approach through the acquisition and transfer of a vacant school building to the Newark school district, which opened to students in September as the Nelson Mandela School. As students begin the school year in new facilities, SDA employees are gratified to know that the meticulous

planning and countless hours of work results in a conducive learning environment in which students can thrive.

Throughout this year, construction work also continued on several other capital projects, including the Perth Amboy High School and Cleveland Street Elementary School addition/renovation -- both remaining on schedule to open in September 2024. In Union City, SDA celebrated a groundbreaking ceremony and a beam signing event in the second half of 2023 for the New Grade Seven to Nine School that commenced construction. This project received approval in June 2023, for \$50 million in grant funding through US Treasury's Capital Projects Fund to help fund the construction of the new school. The Union City School District partnered with SDA and committed to providing programming at the school that will enable work, education, and health monitoring for the community, a grant funding requirement.

Beyond those projects in construction, SDA's in-house Design Team and Program Planning Staff diligently advanced work associated with projects approved in the 2022 Capital Plan. It included ongoing planning and scoping discussions with school districts, the advancement of project charters, engagement of bridging design consultants, and in-house design work. This activity is an important step in our coordinated effort to ensure well-constructed schools that meet our school districts' needs. As this work continues, several of these projects will advance into site preparation activities, as is the case with the Garfield new elementary school project for which a demolition contract was awarded in December 2023. The SDA's 2024 procurement forecast includes several opportunities for general construction and design build opportunities. These opportunities will maintain an upward trend over the next several years as we advance projects in order of priority need upon finalization of project construction logistics.

The SDA maintains a robust portfolio of activity throughout the state, which strives to reduce capacity deficiencies and to replace or repair antiquated school facilities throughout New Jersey. We acknowledge significant school construction needs remain throughout the state, and we remain resolute to continue our work of building quality schools for New Jersey's children that they so rightly deserve. SDA's Board of Directors, management, and staff remain committed to working with the Administration, the Legislature, and our stakeholders toward this goal.

Project Accomplishments

PROJECT DELIVERIES

The SDA is committed to providing new and modernized school buildings that have a profound impact on New Jersey students, educators and communities. In some of the state’s most underserved school districts, the school construction program continues to benefit thousands of students each year.

SDA opened one new school facility and one alternative delivery project, and it completed two addition/renovation projects in 2023. The completion of these projects continues the SDA’s legacy of constructing high-quality educational facilities that best meet the needs of the students of the State of New Jersey. The new Charles and Anna Booker Elementary School in Plainfield, the Nelson Mandela School in Newark, the addition/renovation at Port Monmouth Road School in Keansburg, and the addition/renovation project at Millville Senior High School represented a total state investment of more than \$255 million, delivered more than 145,000 square-feet of new construction and approximately 1,200 new student seats.

These state-of-the-art facilities, delivered by SDA, are turned over to districts fully furnished and with 1:1 student-device technology. The technology SDA provides may include tablets, Chromebooks, desktops, and/or laptops as deemed appropriate within each school district’s educational program.

New Educational Facility Honors the Legacy of Longtime Civil Rights Activists

In July 2023, the SDA celebrated the delivery of the new Charles and Anna Booker Elementary School with the school’s namesakes in attendance. The Charles and Anna Booker School was named by the Plainfield Board of Education in honor of longtime civil rights activists. In 1965, they won a legal case, *Booker v. Board of Education of City of Plainfield*, to end segregation in Plainfield schools.



At the celebratory ribbon cutting ceremony, Anna Booker shared, “you might have to pinch me to help me realize it’s not a dream.” This facility will provide students with the educational spaces and resources needed to dream big and strive for success while they learn in classrooms and spaces that encourage creativity and innovation.

This 120,000 square-foot facility will benefit approximately 840 students in kindergarten to fifth grades. The new school includes 41 classrooms, an art room, a vocal/music room, an instrumental lesson room, a technology lab, a science demo room, a computer lab, a gymnasium, a cafeteria, a media center, a playground, and a basketball court.

The new school was constructed on the site of the former Woodland Elementary School, which was previously demolished by the SDA. This facility significantly reduces the capacity needs experienced in the school district.

Alternative Delivery Approach Provides School Facility Quickly and Efficiently



The SDA aims to deliver high-quality educational facilities that meet the needs of the students most expeditiously while also ensuring fiscal responsibility in the management of taxpayers’ resources. At times, this focus has allowed the SDA to seek alternative delivery approaches, when appropriate, to satisfy educational facility needs.

In Newark, two capital projects were approved in 2022 to address capacity deficiencies as well as serious facilities deficiencies. Shortly after the SDA approved its Capital Plan in April 2022, which identified two projects in Newark, a former charter school became available for purchase. The SDA pursued the purchase of the facility because it was determined that the school could partially and significantly address the district’s capacity deficiency in a cost-effective and expeditious manner.

As a result, the SDA acquired the property in March 2023 and immediately turned it over to the Newark Public Schools District to be ready for students in September. The SDA estimates

that approximately \$5 million was saved, and a suitable school facility was handed over to the District three to five years earlier than projected through this alternative delivery approach.

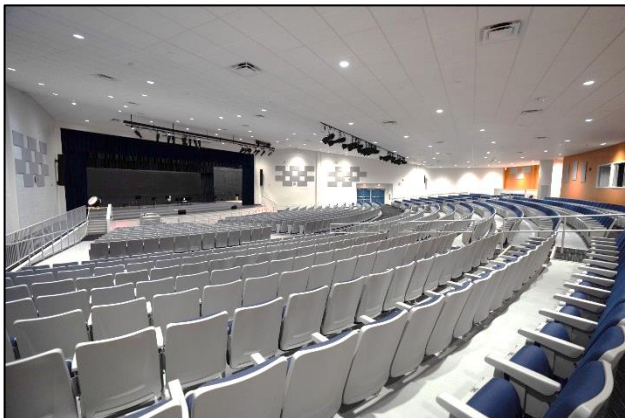
In September 2023, the 34,000 square-foot Nelson Mandela Elementary School opened its doors – initially to students in pre-kindergarten through third grade for the inaugural year. The district intends to increase capacity by one grade level each year up to grade eight. The maximum capacity of the facility is 376 students.

Multi-Phase Project Reaches Completion

A multi-phase addition/renovation project at the Millville Senior High School reached conclusion in 2023, with the final phase of construction completed. This phase of the project resulted in a new, 26,000 square-foot auditorium, a two-story connector, two new art studios, a broadcasting/production studio, and three small group instructional rooms.



The SDA delivered the first phase of the project in 2020, a 90,000 square-foot addition that included classrooms, student cafeteria, faculty cafeteria and kitchen. In 2021, the SDA delivered the second phase of the project, which included a 100,000 square-foot addition that provided a new gymnasium, locker rooms, dance studio, classrooms and science labs. The third phase, delivered renovated classrooms in the B and C wings, as well as a renovated music room, opened to students in 2022.



The SDA joined the Millville Public Schools District to celebrate the culmination of this complex project at a ribbon cutting ceremony in September. At the event, Senator Michael Testa said, “My hat has to go off to the SDA because they had foresight to have so many of the supplies necessary to build this wonderful facility, ahead of time and in place. And to think

that this facility was able to get built during a time of COVID where there were supply chain issues and increased costs associated with the supply chain.”

Phasing throughout the project lifecycle allowed the district to utilize the existing facility as construction progressed. Construction of new spaces in an occupied school is multifaceted and only possible through close project coordination and cooperation of students and staff. The successful completion of the Millville High School project, while occupied and during the challenges presented by COVID, is a testament to the professionalism of the SDA staff and its construction partners.

Renovations Completed at Keansburg Port Monmouth Road School



In 2023, the SDA delivered the renovation phase of a project at the Port Monmouth Road School in Keansburg. While the one-story, 27,500 square-foot addition to the school opened to students in September 2022, renovation work continued on 19,000 square-feet of existing educational spaces, including eight pre-kindergarten classrooms and a gross motor skills area.

The addition and renovations led to a school facility of approximately 47,000 square-feet designed to educate approximately 315 Pre-Kindergarten students. The new addition included 13 Pre-Kindergarten classrooms, a food service area, nurse’s area, support facilities and a connection to the existing facility.

CAPITAL PROJECTS STARTING CONSTRUCTION

During 2023, the SDA celebrated the start of construction for the new Grade 7 to 9 School in Union City and restarted construction activities for the Orange Cleveland Street Elementary School project. Combined, these projects will deliver more than 143,500 square-feet of new construction.

SDA Celebrates Project Milestones for New School

Alongside Mayor and State Senator Brian Stack, Superintendent Silvia Abbato, and Union City students, SDA held a ceremonial groundbreaking for the new **Grade 7-9 School in Union City** in September. The new \$93.7 million school will be an approximately 132,000 square-foot facility designed to educate more than 900 students in grades 7 to 9. Prior to the start of footings and foundations, significant work occurred to grade the site in preparation of the facility construction.



Work on the project continued at a consistent pace in the final quarter of 2023, allowing the SDA to celebrate with the Union City community once again at a ceremonial beam-signing event in December. Student leaders, local stakeholders, and officials gathered to sign their names to a piece of structural steel that will become a permanent part of the new school.

In addition to general classrooms and science labs, the new school will include specialized educational spaces such as three art rooms, a stem/robotics lab, a hydroponics lab, a technology lab, vocal music room, a dance studio, a rooftop environmental science lab with an outdoor growing area, a media center, a gymnasium, and a cafetorium with a stage/instrumental room.

This project is unique, in that the New Jersey Department of Community Affairs and the SDA received approval in June 2023, for \$50 million in grant funding through the US Treasury's Capital Projects Fund to help fund the construction of the new school. As required for grant eligibility, the Union City School District committed to providing programming that will help to enable work, education, and health monitoring at the new school facility. Following the District's fulfillment of the required programming, the SDA will be able to redirect school construction funds previously allocated to this project for the advancement of future project needs throughout the State.

Addition/Renovation Project Restarted

In 2022, the **Cleveland Street Elementary School** project in Orange was suspended after the contractor’s termination for convenience, due to unforeseen circumstances that impeded the contractor’s ability to perform. However, in 2023 the project restarted with a construction contract awarded in May.



This \$51.7 million project includes an 11,600 square-foot addition to the 100+ year-old existing facility, which was built in the 1890s. This project also includes renovations/alterations to modernize the existing 38,775 square-foot facility, work which was preceded by substantial asbestos abatement activities as part of the original contract. The renovations include converting the basement areas to provide a main office, a media center, an art room, a music room, a science room, and a computer instructional area. It also includes replacement of windows throughout the building, as well as new HVAC equipment, and replacement stair installation.

CAPITAL CONSTRUCTION PROJECTS PROGRESS STATEWIDE



In addition to the two projects mentioned above, significant construction activities were also ongoing on the new **Perth Amboy High School**. Throughout the year, construction of the new Perth Amboy High School continued at a steady pace, remaining on track to achieve substantial completion months ahead of schedule. The largest project ever undertaken by SDA, the facility will be an approximately 576,000 square-foot, three-story school designed to educate a maximum of 3,300 students in ninth to twelfth grades. In addition to general classrooms and science

labs, the school will include specialized educational spaces such as an automotive lab, culinary

arts lab, black box studio, dance studio, ROTC Classroom, world languages classroom, and a life skills lab.

SDA Capital Projects in Construction (As of December 31, 2023)				
District	Project Name	Project Type	Total Estimated Project Costs	Max Student Capacity
Orange	Cleveland Street E.S.	Addition/Renovation	\$51.7 M	348
Perth Amboy	High School	New Construction	\$283.8 M	3,300
Union City	Grade 7-9 School	New Construction	\$93.7 M	936
3 schools in construction			\$429.2 M	4,584

Note: a project is considered in construction until a Temporary Certificate of Occupancy is obtained.

ADVANCEMENT OF NEW CAPITAL PROJECTS

As detailed earlier, the SDA delivered the first project from the 2022 Capital Plan this year, with the purchase and turnover of the Nelson Mandela Elementary School property in Newark. In August 2023, the Authority’s Board of Directors also approved efforts to acquire a property in New Brunswick to address the identified capacity need there. The alternative delivery approach of purchasing a school property to be transferred to the school district, rather than construction of a new facility, allows the SDA to address the identified need quickly and efficiently.

The SDA’s desire to advance projects in its approved Capital Plan as expeditiously as possible, while still ensuring efficiency and quality, led to the Authority’s use of contracted bridging design consultants. In December 2022, SDA awarded contracts for its first-ever Bridging Design Consultants Task Order pool to six design firms that would be assigned on a rotational basis. Under this agreement, bridging design consultants represent the SDA by developing bridging design documents to be used as the basis for a subsequent procurement of a design-builder who will be responsible for the final design and construction of a school facilities project in conformance with SDA standards. The use of this task order pool allows the SDA to expedite project advancement by supplementing internal design staff resources.

At the end of 2023, there were four projects (Garfield Elementary School, Elizabeth New Elementary School, Camden Eastside High School, Newark University High School) with ongoing engagements from this Bridging Design Consultant Task order pool for either programming and concept or schematic and bridging design services. The SDA is also using in-house design services to complete programming and concept phase work on several other projects in the plan.

In 2023, SDA also advanced procurements for demolition and early site preparation contracts associated with new elementary schools in Garfield and Elizabeth. These are the first projects from the 2022 Capital Plan to initiate construction activities. The contract for the demolition of the existing Woodrow Wilson Elementary School in Garfield was awarded in December 2023 and asbestos abatement activities began shortly after.

SUPPORTING NEW JERSEY'S CONSTRUCTION INDUSTRY THROUGH SCHOOL FACILITY PROJECTS

The work of the SDA continues to benefit both communities and the State's construction industry. SDA construction projects are responsible for creating thousands of family-wage construction jobs. This continued to be true throughout 2023 with a contractor workforce of 471,139 total workforce hours on SDA projects for the period January 1, 2023, through December 31, 2023. Investment in SDA construction projects has a direct correlation to the creation of additional infrastructure jobs.

During 2023, the SDA issued construction contracts for work related to one early site preparation engagement, ten emergent projects, and one other project (the decommissioning of temporary classrooms and the reversion of the area to a parking lot in support of the Keansburg Caruso Elementary School, phased to begin after completion of the Keansburg Port Monmouth Road School project). The SDA issued two contracts to construction management firms for oversight support of eight emergent projects in East Orange, Newark, and Union City. The SDA also engaged four firms through the bridging design consultant services contract as detailed above.

The SDA's construction forecast is available on our website at:

https://www.njsda.gov/Content/Business/PDFs/Procurement_Forecast.pdf

Information on past and current advertisements and awards is available on our website at: <https://www.njsda.gov/Business/CurrentBiddingOpportunitiesAwards>.

EMERGENT PROJECTS IN SDA DISTRICTS

The SDA's Emergent Project Program addresses SDA District school facilities in need of repair and rehabilitation. Examples of such projects include roof repair or replacement, windows, exterior masonry, and plumbing, electrical, mechanical and security systems and water infiltration issues.

At the end of 2023, the SDA was managing 12 emergent projects. The status of these projects was as follows: one project in construction, and 11 projects in design. These projects represent an approximately \$32.2 million state investment. There is also one project in construction that was delegated to the local school district for management.

In 2023, the SDA completed one emergent project addressing water infiltration at Paterson PS #5. The project scope included a full roof replacement and exterior masonry repairs. This project represented more than \$10 million in emergent repairs.

As of December 2023, 192 emergent projects (both SDA-managed and district-delegated) have been completed since the program's inception.

REGULAR OPERATING DISTRICT GRANTS

The SDA's ROD grant program continues to favorably impact learning environments across the State. ROD grants fund at least 40 percent of eligible costs for projects in New Jersey's ROD Districts, mainly addressing health and safety issues and other critical needs.

During the year, the SDA Grants Department closed-out 35 grants in 19 school districts in 10 counties throughout the State. These completed grant projects represent more than \$34.5 million in total project costs.

The SDA continued to favorably impact RODs throughout the state by disbursing a total of over \$7 million during 2023 to address facility needs. At the end of 2023, there were 150 active ROD grants in 36 school districts from previous funding allocations. Those active grants represent \$52.8 million in state share.

REGULAR OPERATING DISTRICT GRANTS	
Grant Executions Since Inception	
No. of Grants Executed	5,394
State Share	\$3.0 billion
Local Share	\$5.9 billion
Total Est. Costs	\$8.9 billion
No. of Districts Impacted	523
No. of Counties Impacted	21

2023 ROD Grants

In June 2022, Governor Murphy signed Senate Bill No. 2944 into law as P.L.2022, c.18. This legislation allocated \$350 million through the New Jersey Debt Defeasance and Prevention Fund for high-priority capital projects in RODs throughout the state. Subsequently, this amount was increased to \$450 million by way of \$100 million in funding that had been de-obligated from previous SDA allocations. The SDA and DOE issued an initial joint broadcast announcing the availability of grant funding applications from January 30, 2023, through May 1, 2023. In September 2023, the SDA and DOE jointly announced the approval of more than 600 projects to address critical facilities needs in 261 school districts throughout the state. The funding will provide for numerous high-priority upgrades including more than 300 HVAC systems, dozens of boilers or water heaters, and more than 200 roof replacement/repair projects. In addition to the \$450 million in state funding, local contributions totaling nearly \$600 million are estimated to bring the total cost of construction to more than \$1 billion throughout the State.

The SDA will administer grants in 2024 following issuance of Final Eligible Cost approval letters from the DOE. The first step is the issuance of grant offer letters. Upon proof of local share and completion of other required grant-related documents, the SDA is then able to execute the grant agreements and begin issuing milestone payments as the projects advance.

\$75 MILLION FY GRANT FUNDING

Since Fiscal Year 2022, the SDA provides grant funding to ROD and SDA Districts for capital maintenance and emergent needs as detailed in the State Budget. The New Jersey State Fiscal

Year 2024 budget once again included a direct appropriation of \$75 million to the SDA to provide funding for projects related to emergent and capital maintenance needs. This funding allows both ROD and SDA Districts throughout the state to invest in infrastructure projects that will make New Jersey's school facilities healthier and safer for students. The funding provided by SDA is intended to offset a district's costs associated with addressing those important and necessary measures.

The process remains the same, with school districts able to submit to SDA a duly-executed certification and listing of eligible emergent and/or capital maintenance project(s). The SDA then reviews the submission for completeness and provides the identified funds to the district through electronic transfer.

The amount of funds allocated to each district is determined by the DOE's formula. The formula utilized in connection with previous allotments was used this year as well, but the allocation was adjusted based upon updated enrollment data and was modified to ensure each SDA District received at least \$1 million. The complete list of all districts and their allocations is available [here](#).

At the end of 2023, the SDA had disbursed \$73.2 million of the FY 2022 funding and \$70.3 million of the FY 2023 funding. The SDA began issuing the FY 2024 grants in January 2024, and will continue to disburse grant funding as districts submit required certifications.

The projects supported by the funding continue to primarily address HVAC, building envelope, life safety, and security needs.

Commitment to New Jersey Businesses

TRAINING NEW JERSEY'S SMALL BUSINESSES TO WORK WITH THE SDA

The SDA continued its longstanding tradition of training small businesses to work with the SDA during its thirteenth offering of the Contractor Training Program in December 2023. The program provided a two-day, in-person format for participating small, minority, women, veteran, and disabled veteran-owned business enterprises. These firms are provided with an opportunity to gain valuable knowledge on how to do business with the SDA and compete for school construction projects as well as contracts with other State agencies.

The SDA was once again able to include instructors from the New Jersey Department of Treasury's Division of Property Management and Construction, New Jersey Department of Labor's Division of Wage and Hour Compliance, and New Jersey Economic Development Authority. Program participants benefitted from a networking opportunity held on the second day of the program. This networking session offered participants an opportunity to speak with several larger contracting partners that have previously worked as a prime on SDA projects including EPIC Management, Terminal Construction Corporation, Ernest Bock & Sons, Catcord Construction, and Hall Construction. Participants were able to learn from representatives of these companies and discuss potential opportunities to work together in the future.

This year's 19 graduate firms stem from various construction trades and add to the growing number of firms who now have the knowledge on how to do business with the State of New Jersey. Some of the trades represented included painting, commercial carpentry, flooring, tiling, electrical, general construction, structural steel, HVAC, and roofing.

To date, the SDA has trained more than 250 firms through its in-house Contractor Training Program. The Program has provided these minority, women, veteran and disabled veteran-owned business enterprise firms with the specific knowledge and opportunities they need to obtain school construction work and grow their businesses. At the same time, the Contractor Training Program enables SDA to expand its network of small businesses who contribute to the success of our projects.

The SDA intends to continue annual offerings of this training program in 2024.

SMALL BUSINESS PARTICIPATION

Small businesses are vital to New Jersey’s economy and play a substantial role in the construction of school facility projects throughout the State in both SDA and ROD Districts. At the end of 2023, the SDA had 1,369 firms pre-qualified to do business on school projects in SDA and ROD Districts. The New Jersey Department of the Treasury has certified 569 of these firms (or 42% of all firms) as SBE firms.

SDA’s commitment to the participation of small businesses in the school construction program is evident in the percentage of contract dollars awarded to these firms. The SDA requires consultants and prime contractors to make good faith efforts to identify and hire available small business enterprise (SBE) subconsultants and subcontractors in order to meet the State’s SBE goal to award at least 25 percent of the total contract value to them.

In order for the SDA to track and accurately determine the SBE participation on projects, contract dollars are only tracked when specific phases of the contract are fully subcontracted or “bought out”. The total SDA contract dollars awarded through December 31, 2023, in which the specific portion of the contract commenced, was \$79,745,162. The total contract dollars awarded to all SBE contractors for the commenced portion through December 31, 2023, was \$40,918,477 (including minorities and females). This represents 57 percent of all SDA contracts awarded in 2023.

In May 2019, the New Jersey Department of the Treasury promulgated regulations that require firms to make a good faith effort to ensure that at least 3% of the total dollar value of all publicly advertised contracts awarded by the SDA during a fiscal year are awarded to Disabled Veteran-owned businesses (DVOB). In 2023, no contracts were awarded to DVOB firms. With few prequalified firms registered as DVOBs (three at the end of 2023), the SDA remains committed to increasing the participation of DVOBs in the school construction program to meet the 3% goal in the coming years.

SCHOLARSHIPS TO ENCOURAGE INCREASED PARTICIPATION IN CONSTRUCTION JOBS

During 2023, the SDA continued to provide funding for the Governor’s Industry Vocations Scholarship for Women and Minorities (NJ-GIVS). The program supports SDA’s effort to fund on-the-job or off-the-job outreach and training programs for minority groups and women seeking construction trade occupations or other related occupations – including engineering and management. Specifically, this scholarship benefits women and minority students pursuing a postsecondary certificate or degree program in a construction-related field. The scholarship pays up to \$2,000 per academic year to women and minority students who reside in New Jersey and are enrolled in a NJ-GIVS eligible program at one of New Jersey’s approved county colleges, county vocational, technical or trade schools. NJ-GIVS is administered by the New Jersey Higher Education Student Assistance Authority.

During the 2022-2023 academic school year, SDA provided \$163,818 to 89 qualifying students throughout New Jersey. Grant recipients are attending programs at Essex County Community College, HoHoKus School/Rets, Hudson County Community College, Mercer County Community College, Ocean County Vocational, Passaic County Community College, and Rowan College at Burlington County. Some of the programs of study include HVAC, welding, mechanical engineering, electrician, construction management, computer technology, engineering, and plumbing.

Financial Information

2023 PROJECT EXPENDITURES	
SDA District Capital Projects	\$166.2 M
SDA District Emergent Projects	\$4.2 M
SDA Capital Maintenance Fiscal Year Grants	\$42.4 M
ROD Grant Projects	\$7.0 M
ROD Capital Maintenance Fiscal Year Grants	\$18.9 M
Other Project Costs – Program	\$8.6 M
TOTAL PROJECT EXPENDITURES	\$247.3 M

FUNDING SUPPORTING SCHOOL CONSTRUCTION

In total, the New Jersey State Legislature has authorized \$14.75 billion in funding for SDA projects (\$10.75 billion for SDA Districts and \$4 billion for RODs and vocational schools). As of the end of 2023, New Jersey Economic Development Authority (EDA) had issued \$11.85 billion of School Facilities Construction Bonds and Notes to fund the program. This leaves approximately \$650 million remaining under the current bonding authority. No new bonds were issued in 2023 and no new bond issuances are expected in the foreseeable future due to the recent funding allocated to the Authority through the State budget.

In June 2023, the Governor signed the Fiscal Year 2023 Budget and Appropriations Act, dedicating additional funding for school construction in both SDA and ROD Districts. This most recent appropriation of funds provides \$75 million to be allocated to every school district (SDA and ROD) for capital maintenance and emergent projects.

Funds transferred or disbursed to SDA generally coincide with forecasted cash flow requirements for already committed projects in SDA’s portfolio, enabling SDA to pay its vendors promptly as well as cover its operating expenses.

The SDA has sufficient funds available and/or authorized to complete its current project portfolio while maintaining adequate reserves for unexpected cost increases.

BUDGETARY AND FINANCIAL CONTROLS

The Authority maintains a system of internal controls to provide reasonable assurance that: transactions are executed in accordance with management's requirements and authority; responsibilities are appropriately segregated; financial statements are prepared in accordance with accounting principles generally accepted in the United States; and the assets of the Authority are properly safeguarded. Since internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, there are inherent limitations in the effectiveness of any system of internal controls. The concept of reasonable assurance generally recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. These internal controls are subject to continuous evaluation by SDA management.

Budgetary Controls

The Authority maintains budgetary controls to ensure operating expenditures do not exceed the annual levels approved by the Board of Directors in the Authority's annual operating budget. A variance analysis of accounts is performed monthly and the results are summarized and presented to the SDA Audit Committee in a monthly report. As appropriate, the Authority may also allocate expenditures in its operating budget for various internal capital projects including amounts for the acquisition of equipment, computer software, furniture and fixtures and leasehold improvements. The Authority's Capitalization & Depreciation policy prescribes when capitalization of an asset is appropriate.

In addition, the Authority develops and maintains comprehensive project budgets, approved by the Board of Directors, for each of the school facilities projects that it manages. The Authority uses project management software for planning, recording and monitoring project budgets and schedules. Other software and tools are used by the Authority for cost estimating and financial analyses. The data obtained from regular monthly re-forecasting sessions is used to monitor the status of projects and to review and analyze costs in comparison to approved

budgets. The information obtained from these sessions is summarized and presented to the Audit Committee in a monthly report.

Financial Controls

The Authority maintains effective financial controls in part with an integrated accounting and budgeting system, which enables the Authority to view, analyze and report on various financial data. The Authority utilizes separate financial reporting software to: (1) efficiently and effectively monitor the Authority's financial performance; (2) identify financial trends; and (3) generate accurate and timely financial data and reports.

Additionally, the Authority has implemented effective financial controls in key risk areas as documented in numerous written policies, procedures, standard operating procedures (SOPs), processes, guidelines, checklists and standards. The Authority has implemented policies and procedures (or other analogous documents) in the areas of accounting, accounts payable, procurement, information technology, corporate governance and program operations. The Board of Directors has also adopted an Ethics Code for all employees, which is intended to foster a strong ethical climate at the Authority. Together, these policies and procedures (or other analogous documents) provide a system of internal controls and accountability designed to safeguard the Authority's assets. The Authority's internal auditors conduct periodic reviews to ensure the Authority's adherence to internal control policies and procedures.

The Board of Directors periodically reviews and approves modifications to the SDA's Operating Authority policy. The Operating Authority designates those persons at the Authority who are authorized by the Board (either generally or in specific transactions) to: (1) approve contracts and contract changes (i.e., change orders and amendments), (2) execute documents legally binding on the Authority, and (3) sign checks and approve disbursements on behalf of the Authority. The approval levels established in this policy are designed to ensure that financial transactions for all business operations are authorized in an appropriate and responsible manner. Furthermore, co-approvals are required for nearly every transaction including all commitments, expenditures, contract changes, among others.

Certifications Pursuant to Section 22C of Executive Order 37 (2006)

I certify that, to the best of my knowledge, the financial information provided to the Authority's independent auditors in connection with their audit of the 2023 financial statements is accurate, and that such information fairly presents the financial condition and operational results of the Authority as of December 31, 2023 and for the year then ended.

Donald Guarriello, Jr.
Chief Financial Officer

I certify that, to the best of my knowledge, the financial information provided to the Authority's independent auditors in connection with their audit of the 2023 financial statements is accurate, and that such information fairly presents the financial condition and operational results of the Authority as of December 31, 2023 and for the year then ended.

Manuel M. Da Silva
Chief Executive Officer

Certification Pursuant to Section 2 of Executive Order 37 (2006)

In accordance with Executive Order 37 (2006), please find enclosed the New Jersey Schools Development Authority's (the "Authority") 2023 comprehensive report of Authority operations, (the "2023 Annual Report"). This report highlights the significant actions of the Authority for the year ending December 31, 2023, including the degree of success the SDA had in promoting the State's economic growth strategies and other policies during the year.

The report of independent auditors, issued by Ernst & Young LLP, is included within the financial statements section of the 2023 Annual Report. With the issuance of the audit report, the Authority is in compliance with the requirements of Executive Order 122 (2004).

Executive Order 37 Section 2 Certification:

I, Manuel M. Da Silva, certify that, from January 1, 2023, to December 31, 2023, the Authority has, to the best of my knowledge, followed all of its standards, procedures and internal controls.

Manuel M. Da Silva
Chief Executive Officer

STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY
(a component unit of the State of New Jersey)



FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2023

Resolution—4ai.

Resolution Approving the SDA 2023 Annual Report

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business” which bylaws were adopted by the Authority on August 15, 2007 and amended by the Board on May 7, 2014, September 4, 2019 and September 4, 2024; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), the Authority has prepared a comprehensive report including, among other things, Authority financial statements and an identification of internal controls that govern expenditures, procurement and other financial matters and transactions; and

WHEREAS, the Authority’s financial statements were presented to the SDA Audit Committee on August 26, 2024 and were approved by the Board at its meeting on September 4, 2024; and

WHEREAS, consistent with Article VIII, Section 8.3 of the Authority’s bylaws, and in accordance with Executive Order No. 37 (2006), following approval of the Authority’s Annual Report by the Members, a copy of the same shall be submitted to the Governor’s Authorities Unit and then posted on the Authority’s website; and

WHEREAS, the 2023 SDA Annual Report has been prepared by executive management consistent with Executive Order No. 37 and is presented as an attachment hereto with a recommendation for Board approval.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the New Jersey Schools Development Authority’s 2023 Annual Report as presented by executive management on this date.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: 2023 SDA Annual Report, dated October 2, 2024

Dated: October 2, 2024

CHAIRMAN'S REPORT

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE
(CHAIRMAN'S REPORT)**

**REPORT AND RECOMMENDATIONS OF THE SCHOOL REVIEW COMMITTEE
(CHAIRMAN'S REPORT)**

**Recommendation for the Settlement of Claims Asserted by Ernest Bock & Sons, Inc. in
Connection with the Camden High School, Newark Hawkins Street School and Wilson School
Annex, Bridgeton High School, Bridgeton Buckshutem Road School, and
Irvington Madison Avenue Elementary School Projects**

(to be discussed in Executive Session and voted on upon the Board's return to Open Session)

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: October 2, 2024

SUBJECT: Active Project Status Report
(For Informational Purposes Only)

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.

Portfolio Projects Activities Summary

as of 9/16/24

2022 Portfolio Projects - sorted by District, Project

District	Project	1				Delivery Method	Advancement Status	School Opening	Comments
		Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)				
Bridgeton	6-8	6-8	TBD	TBD	TBD	Design-Build	Project phased with advancement of High School Add/Reno Project.	TBD	
Bridgeton	HS Addition/Renovation	9-12	326	384	\$49.2	Design-Build	Preliminary Charter approved Nov-22 Board.	TBD	
Bridgeton	PK, 6-8	PK, 6-8	TBD	TBD	TBD	Design-Build	Project phased with advancement of High School Add/Reno Project.	TBD	
Camden	New High School (East Side HS Replacement)	9 - 12	800	941	\$115.1	Design-Build	Planning Charter approved Feb-24 Board.	TBD	Capital Plan included 2 replacement ES projects however District has requested advancement of a replacement HS project instead.
Elizabeth	New ES (Battin Replacement)	PK-8	973	1,068	\$96.2	Design-Build	Preliminary Charter approved Nov-22 Board.	TBD	ESP Ongoing.
Garfield	New ES (No. 5 Replacement)	PK-5	767	852	\$80.2	Design-Build	Advertisement for D-B 7/26/24. Proposals due Oct-24.	TBD	ESP Ongoing.
Garfield	PK-5	PK-5	TBD	TBD	TBD	Design-Build	Project phased with advancement of the New ES (No. 5 Replacement) Project	TBD	
Jersey City	PK	PK	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing	TBD	
New Brunswick	MS Addition	6 - 8	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing. Note: Need beyond acquisition of Middle School Annex under review with NJDOE.	TBD	
New Brunswick	Pathways MS & P-Tech Academy (Middle School Annex, 40 Van Dyke Ave.)	6-8, 9-12	765	859	\$42.0	Alternative Delivery	Building Acquisition Complete.	n/a	Facility acquired in March-2024.
Newark	Nelson Mandela ES (Existing Building Acq.)	PK-8	338	376	\$20.5	Alternative Delivery	Building Acquisition Complete.	Sep-23	
Newark	New University High School (Replacement)	9 - 12	920	1,082	\$129.2	Design-Build	Planning Charter approved Feb-24 Board.	TBD	Replacement HS will leverage prior SDA site acquisition and allow existing aged Hawthorne School to occupy existing University HS.
Passaic City	New Passaic High School No. 12 (Replacement)	9-12	2,400	2,823	\$328.1	Design-Build	Planning Charter approved Feb-24 Board.	TBD	
Paterson	New STEAM & STARS HS	9-12	1,200	1,532	\$160.3	Design-Build	Preliminary Charter approved Jul-23 Board.	TBD	
Perth Amboy	K-5	K - 5	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing	TBD	
Pleasantville	New Decatur Ave ES	PK-5	601	658	\$65.8	Design-Build	Preliminary Charter approved Jan-24 Board.	TBD	
Salem City	PK-8	PK-8	TBD	TBD	TBD	Design-Build	DOE/District/SDA Working Group Meetings ongoing.	TBD	
Trenton	ES at Dunn MS	K-6	753	837	\$83.8	Design-Build	Preliminary Charter approved Jul-23 Board.	TBD	
West New York	New Middle School	6 - 8	788	876	\$110.1	Design-Build	Planning Charter approved Mar-24 Board.	TBD	Capital Plan included new PK - 5 school. Identified project will allow 6th grade students to move to MS and alleviate overcrowding in existing elementary schools.

Notes

PLEASE NOTE - Dates in past are actual.

NOTE #1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.
For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

Portfolio Projects Activities Summary

as of 9/16/24

2012 Portfolio Projects (Active) - sorted by District

		1							
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (<i>millions</i>)	Delivery Method	Advancement Status	School Occupied	Comments
Orange	Cleveland St. ES	PK-6	316	348	\$51.7	Design-Bid-Build	Award for GC approved Apr. 2023. (Terminal).	Sep-24	Previous GC Terminated for convenience 3/1/22. (B&C)
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	Sep-24	
Union City	New Grade 7 to 9 School	7-9	827	936	\$93.7	Design-Build	Award for D-B approved Jun. 2022 Board. (Dobco, Inc.)	Sep-25	

Notes
PLEASE NOTE

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NOTE # 1

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For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

Portfolio Projects Activities Summary

as of 9/16/24

2012 Portfolio Projects (Completed) - sorted by District

District	Project	1				Delivery Method	Advancement Status	School Occupied	Comments
		Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)				
Camden	High School	9-12	1,244	1,468	\$132.6	Design-Build	School occupied Sep. 2021. (Bock)	Sep-21	
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	\$41.2	Design-Build	School occupied Sep. 2020. (Dobco)	Sep-20	
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Design-Build	School occupied Sep. 2017. (Torcon)	Sep-17	
Garfield	James Madison ES	K-5	275	305	\$29.7	Design-Bid-Build	School occupied Sep. 2018. (Brockwell & Carrington)	Sep-18	
Gloucester City	Elementary/Middle School	4-8	687	763	\$65.3	Design-Build	School occupied Sep. 2017. (Terminal)	Sep-17	
Harrison	New ES	PK - 1	392	432	\$36.1	Design-Build	School delivered Nov. 2020. (Bock)	Nov-20	
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Design-Build	School occupied Sep. 2019. (Bock)	Sep-19	
Keansburg	Caruso ES	K-4	758	842	\$50.9	Design-Build	School occupied Sep. 2016. (Hall Construction)	Sep-16	
Keansburg	Port Monmouth Road School	PK	318	318	\$28.4	Design-Bid-Build	School occupied Sep. 2023 (Niram)	Sep-23	
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$149.2	Design-Build	School occupied Sep. 2023 (Hall Construction)	May-23	
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Design-Build	School occupied Sep. 2018. (Hall Construction)	Sep-18	
Newark	Elliot Street ES	PK-8	848	932	\$46.7	Design-Build	School occupied Jan. 2016. (Hall Construction)	Jan-16	
Newark	South Street ES	PK-8	597	657	\$69.9	Design-Build	School occupied Sep. 2018. (Bock)	Sep-18	
Orange	High School	9-12	1,440	1,694	\$59.8	Design-Bid-Build	School occupied Sep. 2023. (Terminal)	Sep-23	
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Design-Build	Sub. Comp. achieved Nov. 2021. (Terminal)	Nov-21	
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Design-Build	School occupied Sep. 2019. (Dobco, Inc.)	May-19	
Paterson	Joseph A. Taub MS (New MS @ Union Ave.)	6-8	996	1,107	\$113.9	Design-Build	School Delivered 1 QTR 2022. (Epic Management)	1 QTR 22	
Pemberton	Denbo-Crichton ES	K-5	846	930	\$58.7	Design-Build	School occupied Sep. 2020. (Bock)	Sep-20	
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Design-Build	School occupied Sep. 2019. (Epic Management)	Sep-19	
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Design-Bid-Build	School occupied Sep. 2016. (Epic Management)	Sep-16	
Plainfield	New Woodland ES	K-5	756	840	\$59.4	Design-Build	School occupied Sep. 2023. (Epic Management)	Sep-23	
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	Sep-19	
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Design-Build	School occupied Sep. 2018. (Bock)	Sep-18	
West New York	Memorial HS	9-12	1,859	2,194	\$16.0	Alternative Delivery	Acquisition of Existing St. Joseph's HS complete.	n/a	Renovation work delegated to District via Grant.

Notes

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 NOTE #1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.
 For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.

Portfolio Projects Activities Summary

as of 9/16/24

2011 Portfolio Projects (Completed) - sorted by District

District	Project	1				Delivery Method	Advancement Status	School Occupied	Comments
		Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)				
Bridgeton	Buckshutem ES	K-8	581	645	\$23.3	Design-Build	School occupied Sep. 2016. (Bock)	Sep-16	
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	\$39.0	Design-Build	School occupied Sep. 2017. (Bock)	Sep-17	
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Design-Bid-Build	School occupied Sep. 2016. (Patock)	Sep-16	
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$54.0	Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	Sep-17	
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	\$49.3	Design-Bid-Build	School occupied Sep. 2016. (Dobco, Inc.)	Sep-16	
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Design-Bid-Build	School occupied Sep. 2014. (Terminal Construction)	Sep-14	
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Design-Build	School occupied Jan. 2015. (Hall Construction)	Jan-15	
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Design-Build	School occupied May 2016. (Epic Management)	May-16	
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Design-Bid-Build	School occupied Sep. 2016. (Dobco, Inc.)	Sep-16	
Paterson	PS 16	PK-8	641	705	\$62.4	Design-Build	School occupied Sep. 2016. (Hall Construction)	Sep-16	
West New York	Harry L. Bain PS 6	PK-6	736	814	\$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	Aug-17	

Notes
PLEASE NOTE - Dates in past are actual.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable.

For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.



Active Project Status Report Status as of 9/1/2024

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	City of Orange	Cleveland Street ES	Addition/Renovation	Construction	3Q 2024	Achieved	Sep-24	Achieved	\$ 51,682,267
2	Perth Amboy	New High School	New Construction	Construction	2Q 2024	Achieved	Sep-24	Achieved	\$ 283,830,000
3	Union City	New Grade 7 to 9 School	New Construction	Design-Build Construction	3Q 2025	On-target	Sep-25	On-target	\$ 93,696,300



Active Project Status Report Status as of 9/1/2024

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Burlington City	Samuel Smith ES	Windows Repair/Replacement Partial Roof Replacement	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 3,920,500
2	Camden City	Veteran's Memorial School	Exterior Masonry, Windows, Roofing & Site Work	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 6,588,900
3	East Orange	Fresh Start Academy	Building Envelope Repairs	GCTO w/ Design Design Phase	4Q 2024	On Target	1Q 2025	On-Target	\$ 3,909,963
4	Irvington	Grove Street School	Boiler Replacement	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 3,968,782
5	Newark	Branch Brook School	Building Envelope Repairs	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 1,064,542
6	Newark	Technology High School	Structural Vault Repairs and Façade Repairs	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 2,867,680
7	Newark	University High School	Building Envelope Repairs	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 2,269,484
8	Trenton	Franklin ES	Exterior Structural Repairs	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 476,424
9	Union City	Emerson Middle School	Roof, Masonry & Stucco Repairs	Construction	3Q 2024	On Target	4Q 2024	On-Target	\$ 4,599,273
10	Union City	Union Hill Middle School	Roof, Masonry, Stucco & Chimney Repairs	Construction	4Q 2024	On Target	4Q 2024	On-Target	\$ 4,685,783

PROJECT STATUS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Planning and Program Operations

DATE: October 2, 2024

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period



Projects that have Expended 75% or More of Board Approved Contingency

Reporting Period: January 2008 to August 2024

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ¹	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

No Activity To Report for Projects Active in Construction

Substantially Complete & Building Occupied

Please refer to the Project Close-Out Activity Report for status of close-out activities

Millville	Millville Senior HS - Addition & Renovation	\$14,700,000	\$14,389,245	\$310,755	97.9%	99%	Board approved additional building condition repair work and flood hazard area mitigation work added to the project.	Revised Final Project Charter approved by the Board in August 2023 to allocate additional contingency to the project from the Unforeseen Events Reserve. Change Order work to address HVAC issues remains to be completed.
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¹ Does not include expended contingency or contingency funds allocated for change orders, amendments



Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy

Reporting Period: August 2024

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Activity During the Reporting Period



Revisions to Project Charters

Reporting Period: August 2024

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No Activity During the Reporting Period

CONTRACTS EXECUTED REPORT/AMENDMENTS & CHANGE ORDERS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: October 2, 2024

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report
(For Informational Purposes Only)

Contracts Executed Report

This report contains the activity of Contracts executed during the period August 1, 2024 through August 31, 2024.

Noteworthy Items during the reporting period:

- No activity during the reporting period.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the August 1, 2024 through August 31, 2024.

Noteworthy Items during the reporting period:

- 2 Professional Services Amendments were executed during the reporting period totaling a credit of \$168k.
- 28 Construction Services Change Orders were executed during the reporting period totaling \$942k, 1 of the executed change orders required Board approval totaling \$600k.

Report of change orders less than \$10,000 yet requiring Board Approval

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report

Amendments & Change Orders Report

Reporting Period: 8/1/2024 through: 8/31/2024

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %
Professional Services													
Construction Management Services													
East Orange	Sheila Y. Oliver Academy	ES-0021-M01	3/29/2018	1	STV Construction, Inc.	8/16/2024	\$1,369,426	\$0	(\$158,410)			\$1,211,016	-11.56%
East Orange	Sheila Y. Oliver Academy	ES-0021-M01	3/29/2018	2	STV Construction, Inc.	8/19/2024	\$1,369,426	(\$158,410)	(\$10,130)			\$1,200,886	-12.30%
									(\$168,540)				
Professional Services													
Construction Services													
Contractor													
Elizabeth	New School	EL-0044-N01	2/15/2024	1	USA Environmental Management, Inc.	8/6/2024	\$5,855,000	\$0	\$28,554			\$5,883,554	0.48%
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	279	Terminal Construction Corp.	8/12/2024	\$37,000,000	\$7,690,576	(\$12,558)			\$44,678,018	20.75%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	19	Terminal Construction Corp.	8/1/2024	\$19,434,958	(\$124,523)	\$1,207			\$19,311,642	-0.63%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	20	Terminal Construction Corp.	8/1/2024	\$19,434,958	(\$123,316)	\$3,634			\$19,315,276	-0.61%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	21	Terminal Construction Corp.	8/1/2024	\$19,434,958	(\$119,682)	\$7,090			\$19,322,366	-0.57%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	22	Terminal Construction Corp.	8/1/2024	\$19,434,958	(\$112,592)	\$11,151			\$19,333,517	-0.52%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	23	Terminal Construction Corp.	8/1/2024	\$19,434,958	(\$101,441)	\$1,949			\$19,335,466	-0.51%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	24	Terminal Construction Corp.	8/12/2024	\$19,434,958	(\$99,492)	\$3,870			\$19,339,336	-0.49%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	25	Terminal Construction Corp.	8/12/2024	\$19,434,958	(\$95,622)	\$23,990			\$19,363,326	-0.36%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	26	Terminal Construction Corp.	8/12/2024	\$19,434,958	(\$71,632)	\$13,063			\$19,376,389	-0.30%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	27	Terminal Construction Corp.	8/12/2024	\$19,434,958	(\$58,569)	\$4,843			\$19,381,232	-0.27%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	28	Terminal Construction Corp.	8/12/2024	\$19,434,958	(\$53,726)	\$79,246			\$19,460,478	0.13%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	29	Terminal Construction Corp.	8/13/2024	\$19,434,958	\$25,520	\$780			\$19,461,258	0.13%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	30	Terminal Construction Corp.	8/21/2024	\$19,434,958	\$26,300	\$4,114			\$19,465,372	0.15%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	31	Terminal Construction Corp.	8/21/2024	\$19,434,958	\$30,414	\$16,751			\$19,482,123	0.24%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	32	Terminal Construction Corp.	8/21/2024	\$19,434,958	\$47,165	\$2,498			\$19,484,621	0.25%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	33	Terminal Construction Corp.	8/21/2024	\$19,434,958	\$49,663	\$5,594			\$19,490,215	0.28%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	34	Terminal Construction Corp.	8/27/2024	\$19,434,958	\$55,257	\$5,000			\$19,495,215	0.31%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	35	Terminal Construction Corp.	8/27/2024	\$19,434,958	\$60,257	\$3,618			\$19,498,833	0.32%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	36	Terminal Construction Corp.	8/27/2024	\$19,434,958	\$63,875	\$2,876			\$19,501,709	0.34%
City Of Orange Township	Cleveland Street E.S.	ES-0043-C02	5/2/2023	37	Terminal Construction Corp.	8/30/2024	\$19,434,958	\$66,751	\$31,099			\$19,532,808	0.50%

Amendments & Change Orders Report

Reporting Period: 8/1/2024 through: 8/31/2024

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %
Keansburg Borough	Port Monmouth Road School	ET-0098-C02	11/20/2023	2	Imperial Construction & Electric Inc.	8/12/2024	\$1,334,000	(\$75,339)	(\$100,000)			\$1,158,661	-13.14%
Keansburg Borough	Port Monmouth Road School	ET-0098-C02	11/20/2023	3	Imperial Construction & Electric Inc.	8/12/2024	\$1,334,000	(\$175,339)	(\$10,000)			\$1,148,661	-13.89%
Newark	Technology H.S.	EP-0112-C03	7/20/2021	3	Hall Building Corporation	8/28/2024	\$1,999,336	\$67,407	\$184,592			\$2,251,335	12.60%
Newark	University H.S.	EP-0126-C01	5/10/2023	2	Hall Building Corporation	8/22/2024	\$1,172,180	\$225,136	\$6,037			\$1,403,353	19.72%
Union City (Hudson Co.)	Emerson MS	EP-0121-C01	4/24/2023	2	Delric Construction Co., Inc.	8/22/2024	\$2,046,868	\$1,156,425	\$600,000	Y	7/3/2024	\$3,803,293	85.81%
Union City (Hudson Co.)	Union Hill MS	EP-0127-C01	11/20/2023	2	Integrated Construction Enterprises, Inc.	8/28/2024	\$2,580,894	\$1,228,194	\$2,000			\$3,811,088	47.66%
Union City (Hudson Co.)	Union Hill MS	EP-0127-C01	11/20/2023	3	Integrated Construction Enterprises, Inc.	8/29/2024	\$2,580,894	\$1,230,194	\$20,727			\$3,831,815	48.46%

Contractor	
Construction Services	\$941,725

Total Change Order Summary
\$773,185

Total Change Orders
30

Grand Totals	
Column Description Legend	
CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order

CONTRACT TERMINATIONS REPORT *(no activity)*

SETTLEMENT CLAIMS *(no activity)*

DIVERSITY AND WORKFORCE PARTICIPATION REPORT



MEMORANDUM

TO: Members of the Authority
FROM: J Manuel Castillo, Director – EEO, Affirmative Action & Vendor Services
DATE: October 2, 2024
RE: Diversity and Workforce Participation Monthly Update for July 2024

The EEO, Affirmative Action & Vendor Services Team consistently participates in mandatory pre-bid and pre-construction meetings to inform and provide guidance to vendors regarding SDA’s Small Business Enterprise and Workforce goals, policies and procedures. The guidance provided in such meetings is on, among other things, the following:

- Expectation to delegate 25% of value of contract to NJ Division of Revenue certified Small Business Enterprises (“SBEs”) and efforts to award 3% of contract value to disabled veteran-owned businesses.
- Local county workforce participation goals for minorities and females.
- Post-bid advertisement Subcontractor Approval Process and Certified Payroll Records submission requirement.
- Our Division’s process for monitoring and tracking vendor progress to meet the mentioned goals and requirements, throughout the life cycle of each project.

During these meetings, our Team strongly encourages vendors to identify and hire minority-owned, female-owned and disabled veteran-owned firms, as well as locally based enterprises, for diverse business participation on all school building projects. As each project progresses, our Team provides vendors outreach strategies to support their efforts in reaching the above-mentioned goals.

SMALL BUSINESS ENTERPRISE ATTAINMENT

The SDA regularly exceeds the State-mandated 25% SBE participation goal. The total SDA fully-contracted dollars awarded in July 2024 was \$0. Thus far, the total fully-contracted dollars awarded in 2024 is \$8,430,110. Of that total, \$6,845,175 was awarded to SBEs, including any minority, female and disabled veteran-owned SBEs. This represents an SBE current participation of 81.20% of all NTP-issued SDA contracts awarded in calendar year 2024. SBE participation will remain above the State-mandated 25% as prime contractors with 2024-issued contracts continue to hire subcontractors/subconsultants throughout the lifecycle of their construction projects.

Diversity Breakdown for 2024 thus far

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
SBEs	\$ 6,845,175	81.20%
Minority Business Enterprises*	\$ -0-	0.00%
Women Business Enterprises*	\$ -0-	0.00%
Minority/Women-Owned Business Enterprises*	\$ -0-	0.00%
Disabled Veteran-Owned Business Enterprises*	\$ -0-	0.00%
TOTAL DIVERSITY CONTRACTS	\$ 6,845,175	81.20%

*non-SBE

WORKFORCE PARTICIPATION

For the month of July 2024, there was a contractor workforce of 335 on SDA projects. This workforce amassed a total of 21,056 contractor workforce hours in July 2024. This is explained in more detail below:

Contractor Workforce Breakdown for July 2024 (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	37	2,817	13.38%
Hispanic	72	4,761	22.61%
Indigenous American	2	160	0.76%
Asian	19	1,458	6.92%
Total Minority Participation	130	9,196	43.67%
Total Non-Minority Participation	205	11,860	56.33%
Total Contractor Workforce	335	21,056	100.00%

The collective contractor workforce hours on SDA projects for the period of January 1, 2024 through July 31, 2024 amounted to 136,075. That amount includes a total of 5,815 workforce hours performed by female workers in 2024 thus far.

The following table highlights the *Local County Contractor Workforce* participation in 2024 thus far:

Contractor Workforce Participation	Workforce Hours	Percentage
*Total Contractor Workforce Hours	136,075	100.00%
*Total Local County Workforce Hours	834	0.61%
Total Local County Non-Minority Workforce Hours	530	0.39%
Total Local County Female Workforce Hours	0	0.00%
Total Local County Minority Workforce Hours	304	0.22%
**Local County Workforce Hours by Race/Ethnicity:		
Black	304	0.22%
Hispanic	0	0.00%
Indigenous American	0	0.00%
Asian	0	0.00%

*Total contractor workforce and total local county workforce represent all laborers, including females.

**Race/Ethnicity breakdown of Total Local County Minority Workforce Hours.

NOTE: Hours worked by local county female laborers who are minority are included in the Total Local County Female Workforce Hours above. Therefore, for the purposes of this memorandum, hours worked by female minority laborers **are not** included in the minority breakdown.

The following table represents contractor minority and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2024 through July 31, 2024.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Millville HS	5,045	353	7.00%	420	8.33%
Perth Amboy HS	33,360	9,763	29.27%	0	0.00%
Cleveland St ES	36,291	10,386	28.62%	134	0.37%
Union City MS	37,109	13,298	35.83%	0	0.00%
Orange HS	32	32	100.00%	0	0.00%
Emergent Projects	24,238	12,612	52.03%	280	1.16%

Reviewed and recommended by: J Manuel Castillo
 Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Planning and Program Operations

DATE: October 2, 2024

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of August 2024. Also included is a detailed list of grants executed and grants offered during the reporting period if applicable.

Monthly Update:

- No grants were offered during the reporting period.
- 23 grants impacting 11 Districts were executed during the reporting period representing total project costs of \$28.6 million and state share of \$11.8 million.
- 4 grants impacting 1 district were closed out during the reporting period representing total project costs of \$3.9 million and state share of \$1.3 million..
- Since inception, over \$2.96 billion has been disbursed to over 520 regular operating districts through the grant program.
- Since inception nearly \$3.8 billion in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.

**Monthly Regular Operating District Grant Report - Summary
August 2024**

ROD Grant Summary Since Program Inception				
	Offered¹	Executed	Closed-Out	Active
Districts Impacted	114	526	522	187
Number of Grant Projects	302	5,748	5,266	482
Total Project Cost Estimate	\$ 510,613,447	\$ 9,477,118,526	\$ 8,839,176,842	\$ 637,941,684
Grant Amount	\$ 210,501,476	\$ 3,241,243,832	\$ 2,950,634,957	\$ 290,608,875
Amount Disbursed	NA	\$ 2,964,074,256	\$ 2,950,634,957	\$ 13,439,299

Total Funding Offered to School Districts via Grant Program	\$ 3,798,198,700
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Total ROD Grant Funding remaining for new Grant Projects	\$ 30,542,119
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	11	1
Number of Grant Projects	23	4
Total Project Cost Estimate	\$ 28,599,519	\$ 3,937,489
Grant Amount	\$ 11,835,044	\$ 1,265,391
Amount Disbursed	NA	\$ 1,265,391

* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

** Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

**Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail
August 2024**

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Bergen	Montvale	Fieldstone M.S.	\$ 1,005,212	\$ 402,085	Roofs. See DOE Approval for Detailed Project Scope.
Bergen	Montvale	Memorial E.S.	\$ 1,683,338	\$ 673,335	Roofs. See DOE Approval for Detailed Project Scope.
Burlington	Evesham Township	H.L. Beeler E.S.	\$ 17,300	\$ 6,920	HVAC Controls. See DOE Approval for Detailed Project Scope.
Burlington	Evesham Township	J. Harold VanZant E.S.	\$ 17,300	\$ 6,920	HVAC Controls. See DOE Approval for Detailed Project Scope.
Burlington	Evesham Township	Marlton Middle M.S.	\$ 51,800	\$ 20,720	HVAC Controls. See DOE Approval for Detailed Project Scope.
Camden	Winslow Township	Winslow Township School No. 6 E.S.	\$ 6,406,540	\$ 2,821,447	HVAC Controls. See DOE Approval for Detailed Project Scope.
Cumberland	Upper Deerfield Township	Elizabeth F. Moore E.S.	\$ 868,912	\$ 483,971	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Essex	Bloomfield Township	Demarest E.S.	\$ 2,047,100	\$ 818,840	Windows. See DOE Approval for Detailed Project Scope.
Hunterdon	East Amwell Township	East Amwell Township E.S.	\$ 360,000	\$ 144,000	Roofs. See DOE Approval for Detailed Project Scope.
Hunterdon	East Amwell Township	East Amwell Township E.S.	\$ 120,000	\$ 48,000	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Monmouth	Red Bank	Red Bank M.S.	\$ 1,014,000	\$ 405,600	Boilers and Domestic HW Heaters. See DOE Approval for Detailed Project Scope.
Morris	Chester Township	Black River M.S.	\$ 581,000	\$ 232,400	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Morris	Chester Township	Black River M.S.	\$ 453,850	\$ 181,540	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Morris	Chester Township	Bragg E.S.	\$ 607,587	\$ 243,035	Roofs. See DOE Approval for Detailed Project Scope.
Morris	Chester Township	Bragg E.S.	\$ 548,750	\$ 219,500	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Morris	Morris School District	Alexander Hamilton E.S.	\$ 52,490	\$ 20,996	HVAC Controls. See DOE Approval for Detailed Project Scope.
Morris	Morris School District	Frelinghuysen M.S.	\$ 1,072,750	\$ 429,100	Boilers and Domestic HW Heaters. See DOE Approval for Detailed Project Scope.

Monthly Regular Operating District Grant Report - Monthly Executed Grant Detail
 August 2024

County	District	School Name	Total Project Cost Estimate	Grant Amount	Project Description
Morris	Morris School District	Hillcrest E.S.	\$ 50,420	\$ 20,168	HVAC Controls. See DOE Approval for Detailed Project Scope.
Morris	Morris School District	Hillcrest E.S.	\$ 3,409,119	\$ 1,363,648	Roofs. See DOE Approval for Detailed Project Scope.
Morris	Morris School District	Morristown H.S.	\$ 3,806,391	\$ 1,522,556	Roofs. See DOE Approval for Detailed Project Scope.
Morris	Morris School District	Thomas Jefferson E.S.	\$ 50,480	\$ 20,192	HVAC Controls. See DOE Approval for Detailed Project Scope.
Ocean	Brick Township	Warren H. Wolf ECDC	\$ 3,128,884	\$ 1,251,554	HVAC System upgrades. See DOE Approval for Detailed Project Scope.
Sussex	Vernon Township	Glen Meadow E.S.	\$ 1,246,296	\$ 498,518	Windows. See DOE Approval for Detailed Project Scope.
Grand Total			\$ 28,599,519	\$ 11,835,044	

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT
EXCEEDING \$100,000 OR 10% OF THE CONTRACT VALUE (*no activity*)**

COMMUNICATIONS MONTHLY REPORT

MEMORANDUM

TO: Members of the Authority
FROM: /s/ Edye Maier, Director of Communications
DATE: October 2, 2024
RE: Monthly Communications Report

SDA Celebrates Ribbon Cutting Ceremony for the New Perth Amboy High School

On August 27, the SDA joined Perth Amboy School District, state and local officials at a ribbon cutting ceremony to celebrate the opening of the new Perth Amboy High School. The highlights of the ceremony were various presentations from students, including rousing musical performances from the marching band, chorus, and color guard. SDA Board Members Robert Nixon, Mario Vargas, and Nicole Vecchione participated in the celebratory events.



The event included remarks from numerous dignitaries including, Assembly Speaker Craig Coughlin, Assemblywoman Yvonne Lopez, Mayor Helmin Caba, Superintendent Dr. David Roman, and SDA CEO Manuel Da Silva.

The new Perth Amboy High School is an approximately 576,000 square-foot, three-story facility designed to educate a maximum of 3,300 students in ninth to twelfth grades. In addition to general classrooms and science labs, the school includes specialized educational spaces such as an automotive lab, culinary arts lab, black box studio, dance studio, ROTC Classroom, world languages classroom, life skills lab, and a daycare center. This is the largest project undertaken by the SDA since the start of the State's school construction program.



MONTHLY FINANCIAL REPORT



MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, MBA, CPA
Controller

DATE: October 2, 2024

RE: Monthly Financial Report – August 2024

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

For August 2024 year to date, Authority operating expenses, **\$8.9M**, are **\$2.1M** lower than budget for the corresponding period. This variance is attributable to lower spending activity for personnel costs **\$1.7M**, professional and other contracted services **\$476K**, information systems **\$351K**, facilities and general office expenses **\$171K** and SDA owned automobiles **\$130K**. This variance is offset by a lower payroll and benefits expense allocation to project costs, **\$768K**.

The full time employee (FTE) headcount is 130 as of August 31, 2024. This total represents a 17 FTE decrease in comparison to the year to date budgeted headcount.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)

For August 2024 year to date, Authority operating expenses, **\$8.9M**, are **\$383K** lower when compared to the corresponding prior year. This variance is primarily attributable to a year-over-year decrease in both personnel costs **\$215K** and facilities and general office expenses **\$287K**, offset by an increase in information systems costs **\$94K**.

The current number of FTEs, 130, is higher by 3 when compared to the corresponding prior year headcount.

School Facilities Project Expenditures (Year-to-Date Actual vs. Forecast)

For August 2024 year to date, project costs, **\$200.6M**, are **\$54.9M** lower than the capital spending forecast for the corresponding period. This variance is attributable to decreased spending for construction work **\$22.4M**, grant agreements **\$15.4M**, project insurance **\$7.0M**, property acquisitions **\$3.2M**, and construction management services **\$2.0M**.

School Facilities Project Expenditures (Year-to-Date Actual vs. Prior Year Actual)

For August 2024 year to date, project expenditures, **\$200.6M**, are higher by **\$15.2M** when compared to the corresponding prior year. This variance is attributable to increases in spending for property acquisitions **\$24.4M**, grant agreements **\$14.7M** and school furniture, fixtures and equipment **\$9.8M**. This variance is partially offset by a spending decrease for construction work **\$30.9M**.

Other

Since program inception, 82.2% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The estimated value of active school facilities, capital, emergent and ROD grant projects is approximately \$1.55B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
August 2024
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

August 31, 2024

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, August 31, 2024.

► Overall **Cash and Cash Equivalents** have decreased by \$148.5 million to \$338.0 million, as follows:

■ Appropriation from State	\$ 50,665,000
■ Investment earnings	13,375,889
■ Miscellaneous revenue	866
■ Project costs	(200,591,550)
■ SDA operating expenses	(9,364,668)
■ SDA capital expenditures	(35,309)
■ Deposits (primarily district local shares)	(2,565,189)
Net Change in Cash	\$ (148,514,961)

► **Prepaid Expenses** total \$293,817 as follows:

- Prepaid insurance of \$220,637
- Prepaid security deposit of \$53,848 for the Authority's leased swing space.
- Prepaid MIS maintenance service contracts of \$16,688
- Other prepaids of \$2,644.

► **Capital Assets** total \$4,408,751 (net of accumulated depreciation of \$8,311,741), consisting of leasehold improvements (SDA office), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$35,309 and **Depreciation Expense** is \$356,473.

► **Accrued Liabilities** total \$315.9 million, as follows:

- Accrued project costs of \$11.2 million consisting of unpaid invoices (\$2.5 million) and retainage (\$8.7 million). Project-related lease liabilities are \$0.1 million.
- Net pension liability of \$23.2 million.
- Unearned grant revenues of \$252.6 million.
- Other post-employment benefits obligation of \$17.5 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$1.9 million (PRO liability \$2.0 million, offset by expected cost recoveries of \$0.1 million).
- Estimated liability for loss contingencies totaling \$3.8 million.
- Payroll related liabilities of \$1.5 million.
- Other accrued liabilities of \$4.1 million, including non-project lease liabilities of \$3.9 million.

► **Deposits** total \$2.9 million, as follows:

- \$2.9 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$(0.5) million.

New Jersey Schools Development Authority

School Facilities Project Expenditures & Funding Allocation

August 31, 2024

► **School Facilities Construction Bond/Note Proceeds/Appropriations & Project Expenditures**

- During the current year to date, the SDA has received \$0.0 million in bond/note proceeds & \$0.0 million in appropriations. The total amount received since program inception is \$12.5 billion.
- Project expenditures for the month and year-to-date periods total \$21.2 million and \$200.6 million, respectively, as follows:

Category	Current Month	Year-To-Date	Since Inception
Construction	\$ 16,236,586	\$ 63,717,406	\$ 5,863,751,326
Design Services	375,804	1,784,514	416,126,832
PMF/CM Services	236,408	1,853,576	484,279,556
SDA Project Management	717,611	6,555,089	147,501,996
Property Acquisition, Relocation & Enviro	392,332	40,628,984	644,620,357
School Furniture, Fixtures & Equipment	1,445,858	13,663,400	258,281,475
Project Insurance	(85,052)	(89,313)	115,631,673
NJ State Inter-Agency Transfers	-	448,664	54,168,993
SDA District Grant & Funding Agreements	15,000	49,015,000	1,029,319,987
Regular Operating District Grant Agreements	1,883,296	25,499,039	3,037,672,677
Real-Time Project Audits	6,890	85,520	1,335,045
Property Management, Maintenance & Utils	13,500	159,225	19,569,384
Outside Legal & Claims Resolution Services	15,776	278,853	12,310,371
Temporary Staffing	-	14,488	10,775,982
Other Project Costs	(99,516)	278,955	62,994,344
Project Credits	-	-	(54,902,944)
Total Project Expenditures	21,154,493	203,893,400	12,103,437,054
Less: Local Share Contributions	-	(3,301,850)	(191,500,480)
Project Expenditures (State Share)	\$ 21,154,493	\$ 200,591,550	\$ 11,911,936,574
2024 Capital Spending Forecast	\$ 19,370,573	\$ 255,494,170	

Allocations Since Program Inception

► **All Funding Sources & Expenditures**

	All Sources ¹	Total Funding ²	Paid to Date ³
■ SDA Districts	\$ 10,800,000,000	\$ 10,956,357,393	\$ 9,008,411,534
■ RODs Incl Vo-Tech Schools	4,025,000,000	4,085,567,531	3,446,927,450
Total - State Share	\$ 14,825,000,000	\$ 15,041,924,924	\$ 12,455,338,984

► **Percentage of Total Funding Paid to Date**

■ SDA Districts	82.2%
■ RODs Incl Vo-Tech Schools	84.4%
Total - State Share	82.8%

1 Of the \$14.8 billion authorized for the school construction program (including bond funds & appropriations), \$12,573,367,648 has been received to date.

2 Includes bonding cap amounts, appropriations and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$543,402,410.

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Budget
August 31, 2024

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 8,479,073	\$ 9,543,868	\$ (1,064,795)
Employee Benefits	4,424,984	4,934,705	(509,721)
Direct Hire Temporary Employee Costs	22,639	33,336	(10,697)
Total Employee Salaries & Benefits Costs	12,926,696	14,511,909	(1,585,213)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	6,555,089	7,323,364	(768,275)
Salaries & Benefits Charged to Operating Expense	6,371,607	7,188,545	(816,938)
Temporary Staffing Services	-	66,664	(66,664)
Travel & Expense Reimbursements	12,533	20,344	(7,811)
Training & Professional Development	14,235	64,480	(50,245)
Total Personnel Expenses	6,398,375	7,340,033	(941,658)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,177,311	1,348,296	(170,985)
Information Systems	794,900	1,146,220	(351,320)
Professional & Other Contracted Services	133,899	610,064	(476,165)
Property & Casualty Insurance	390,331	395,992	(5,661)
SDA-Owned Automobiles	40,384	170,000	(129,616)
Communications & Outreach	1,242	2,664	(1,422)
Reserve for Unforeseen Events & New Initiatives	-	16,664	(16,664)
Total Authority Operating Expenses	\$ 8,936,442	\$ 11,029,933	\$ (2,093,491)
 2024 Annual Operating Budget		 \$ 15,617,984	

New Jersey Schools Development Authority

Fund Reporting Operating Expenses vs Prior Year

August 31, 2024

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>2023</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 8,479,073	\$ 8,356,769	\$ 122,304
Employee Benefits	4,424,984	4,667,267	(242,283)
Direct Hire Temporary Employee Costs	22,639	5,288	17,351
Total Employee Salaries & Benefits Costs	12,926,696	13,029,324	(102,628)
Less: Employee Salaries & Benefits Costs Charged to Projects	6,555,089	6,444,703	110,386
Salaries & Benefits Charged to Operating Expense	6,371,607	6,584,621	(213,014)
Temporary Staffing Services	-	-	-
Travel & Expense Reimbursements	12,533	9,704	2,829
Training & Professional Development	14,235	18,750	(4,515)
Total Personnel Expenses	6,398,375	6,613,075	(214,700)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,177,311	1,464,386	(287,075)
Information Systems	794,900	700,790	94,110
Professional & Other Contracted Services	133,899	147,450	(13,551)
Property & Casualty Insurance	390,331	342,851	47,480
SDA-Owned Automobiles	40,384	50,134	(9,750)
Communications & Outreach	1,242	855	387
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	\$ 8,936,442	\$ 9,319,541	\$ (383,099)

New Jersey Schools Development Authority

Employee Headcount

August 31, 2024

	<u>Current Month End</u>	<u>Budget</u>	<u>Over/ (Under)</u>
Office of Chief Executive Officer	2	2	-
Human Resources	4	4	-
Vacant Positions	0	10	(10)
Communications	3	3	-
Legislative Affairs	1	1	-
EEO/AA & Vendor Services	4	4	-
Office of Program Operations & Strategic Planning	1	0	1
Capital Planning & Program Operations	9	10	(1)
Design Studio	12	13	(1)
Grants Administration	7	7	-
Real Estate Services & Predevelopment	3	3	-
Office of Construction Operations	0	1	(1)
Project Teams	17	20	(3)
Office of Corporate Governance & Legal Affairs	4	4	-
Chief Counsel	8	8	-
Information Systems	11	11	-
Central Records Management	3	3	-
Safety	4	4	-
Internal Audit	3	3	-
Office of Chief Financial Officer	1	1	-
Financial Operations	7	7	-
Financial Accounting & Disbursements	11	11	-
Procurement	10	10	-
Risk Management	1	2	(1)
Facilities	4	5	(1)
Total Full-Time Employees at Month End	<u>130</u>	<u>147</u>	<u>(17)</u>
 Total Full-Time Employees at Year End		<u>150</u>	

New Jersey Schools Development Authority

Statement of Net Position

August 31, 2024

	<u>Current Month End</u>	<u>2023 Year End</u>	<u>Over/ (Under)</u>
ASSETS			
Cash and cash equivalents	\$ 338,040,878	\$ 486,555,839	\$ (148,514,961)
Receivables	844	22,534,092	(22,533,248)
Prepaid expenses	293,817	83,476	210,341
Capital assets, net of accumulated depreciation	4,408,751	5,669,810	(1,261,059)
Total Assets	342,744,290	514,843,217	(172,098,927)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount for pensions and OPEB	5,212,653	7,357,357	(2,144,704)
Total Deferred Outflows of Resources	5,212,653	7,357,357	(2,144,704)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	\$ 347,956,943	\$ 522,200,574	\$ (174,243,631)
LIABILITIES			
Accrued school facilities project costs	\$ 17,253,937	\$ 34,482,145	\$ (17,228,208)
Unearned revenue	252,538,661	250,000,000	2,538,661
Net pension liability	23,242,844	23,242,844	-
Total other postemployment benefits liability	17,456,962	17,611,947	(154,985)
Other accrued liabilities	5,392,201	8,187,435	(2,795,234)
Deposits	2,947,519	5,512,708	(2,565,189)
Total Liabilities	318,832,124	339,037,079	(20,204,955)
DEFERRED INFLOWS OF RESOURCES			
Deferred amount for pensions and OPEB	29,638,347	29,638,347	-
Deferred amount for Federal CPF grant	-	-	-
Total Deferred Inflows of Resources	29,638,347	29,638,347	-
NET POSITION			
Net investment in capital assets	4,408,751	5,669,810	(1,261,059)
Restricted for schools construction:			
Federal CPF grant	139,772	22,533,531	(22,393,759)
Special revenue fund	81,143,620	189,642,909	(108,499,289)
Unassigned/(Unrestricted)	(86,205,671)	(64,321,102)	(21,884,569)
Total Fund Balance/Net Position	(513,528)	153,525,148	(154,038,676)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
	\$ 347,956,943	\$ 522,200,574	\$ (174,243,631)

New Jersey Schools Development Authority

Statement of Activities

August 31, 2024

	<u>Current Year-To Date</u>	<u>2023 Year-To Date</u>	<u>Over/ (Under)</u>
REVENUES			
School Construction Program:			
Appropriation from State	\$ 18,114,438	\$ 250,000,000	\$ (231,885,562)
Federal CPF grant	7,478,370	-	7,478,370
Bidding fees-plans and specs			
General:			
Investment earnings	13,375,889	9,572,495	3,803,394
Rental property income	-	4,800	(4,800)
Other revenue	866	11,839	(10,973)
Total Revenues	38,969,563	259,589,134	(220,619,571)
EXPENSES			
Administrative and general expenses	9,221,456	9,906,335	(684,879)
School facilities project costs	183,786,783	158,973,304	24,813,479
Total Expenditures/Expenses	193,008,239	168,879,639	24,128,600
CHANGE IN NET POSITION	(154,038,676)	90,709,495	(244,748,171)
Beginning of Period Net Position	153,525,148	273,468,663	(119,943,515)
NET POSITION END OF PERIOD	\$ (513,528)	\$ 364,178,158	\$ (364,691,686)

DESIGN CONTRACT DE-OBLIGATIONS REPORT (*no activity*)

RESOLUTION TO ADJOURN INTO EXECUTIVE SESSION

Resolution—8.

Resolution to Adjourn into Executive Session

Resolution

WHEREAS, the “Senator Byron M. Baer Open Public Meetings Act” (OPMA), N.J.S.A. 10:4-6, declares “the right of the public to be present at all meetings of public bodies” except as expressly provided in the Act; and

WHEREAS, N.J.S.A. 10:4-12 (b) provides that a public body may exclude the public from that portion of a meeting at which the public body discusses, among other things, any pending or anticipated litigation or contract negotiations in which the public body is or may become a party...falling within the attorney-client privilege, to the extent that confidentiality is required to preserve the attorney-client relationship; and

WHEREAS, the Members of the New Jersey Schools Development Authority (SDA or the Authority) have before them on this date one matter, pursuant to N.J.S.A. 10:4-12, is appropriate for consideration in Executive Session; and

WHEREAS, the matter for Executive Session involves a Recommendation for the Settlement of Claims Asserted by Ernest Bock & Sons, Inc. in connection with the Camden High School, Irvington Madison Avenue Elementary School, Newark Hawkins Street School and Wilson School Annex, Bridgeton Senior High School and Bridgeton Buckshutem/Quarter Mile Lane Elementary Schools Projects; and

WHEREAS, the minutes of the Board’s October 2, 2024 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, and settlements, and associated matters and/or the execution of all documentation, payments, agreements and leases associated therewith, as applicable.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby resolve to adjourn into Executive Session to be apprised of the matter described herein.

BE IT FURTHER RESOLVED, that the minutes of the Board’s October 2, 2024 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, settlements, and associated matters, and/or the execution of all documentation, payments, agreements and leases associated therewith, as applicable.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Resolution to Adjourn into Executive Session, dated October 2, 2024

Dated: October 2, 2024