



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY



Building a Brighter Future for New Jersey's School Construction Program

Biannual Report of the School
Facilities Construction Program

December 2010

For the period
April 1 through September 30, 2010

SDA Mission Statement

The mission of the Schools Development Authority is to create a more promising future for the children of New Jersey by providing safe, healthy, and sustainable schools that create a positive learning environment and strengthen the community.

We will accomplish this by:

- Developing environmentally safe and sustainable schools
- Effectively managing the fiscal resources provided by New Jersey's taxpayers
- Involving children, teachers, parents, school districts and communities in the development of schools
- Constructing schools that are multi-functional to address the needs of the entire community
- Incorporating design features and technology that enable teachers to teach in the most effective ways
- Setting nationwide best practices for the development of schools

Vision Statement

NJSDA will be a nationally recognized source of best practices in facilitating the design, development and construction of schools that support academic success in partnership with the communities we serve.

About the Report

Following is the Biannual Report of the New Jersey Schools Development Authority (SDA) for the period April 1 through September 30, 2010. This report is submitted under the provisions of P.L. 2007, c. 137 ("the August 2007 legislative amendments"), which modified P.L. 2000, c. 72 (Educational Facilities Construction and Financing Act, EFCFA).

This report summarizes progress made by New Jersey's school facilities construction program during the six-month reporting period and updates the status of projects in the SDA's portfolio. It also presents a strategic plan for improvement, reflecting the results to date of an ongoing comprehensive review conducted under the direction of the SDA's Chief Executive Officer.



Cover photos (top to bottom): Construction equipment at the groundbreaking for Cedar Creek High School, Greater Egg Harbor Regional; students at groundbreaking for Egg Harbor City Community School; beam signing at Lincoln Avenue Elementary School, Orange.

Message from CEO Marc Larkins



The New Jersey Schools Development Authority (SDA) is steadily improving its ability to directly contribute to the future success of our state by ensuring the delivery of modern, state-of-the-art educational facilities to our children. Internal changes at the SDA during this six-month reporting period brought about significant efficiency enhancements and a renewed focus on the SDA's mission. Following the June 2010 reorganization, the Authority's new "team-based" approach is well underway. The new organizational structure is promoting better communication in all aspects of our operations and providing more defined controls to prevent program abuse throughout our project portfolio. At the end of the reporting period, the active construction portfolio consisted of 47 projects, including new construction, extensive additions, renovations and rehabilitations, and emergent projects, representing a state investment of more than \$360 million. The SDA was also actively administering hundreds of Regular Operating District (ROD) grants across the state, having authorized an additional \$114 million for 310 new ROD grants in this reporting period alone.

The Authority's new structure also will better position it to advance new projects once the review of the 2008 Capital Plan is completed. This comprehensive review seeks to identify and prioritize statewide needs in our SDA districts as mandated by our enabling legislation and also to remedy problems with the Authority's 2008 Capital Plan as identified by the State Auditor. The review includes all projects in the SDA's portfolio not yet in construction as well as other projects as identified by SDA districts. The SDA anticipates announcing the results of the review in early 2011.

Meanwhile, the SDA is preparing recommendations for the completion of projects within our portfolio that have encountered long-standing problems. In January 2010, upon vetoing a change order for a project that was already 40 percent over its original budget, Governor Christie announced that his administration will not tolerate exorbitant cost overruns. At the time, Governor Christie said that a full vetting of that project and others like it was necessary before he would allow the Authority to advance them. In support of that mandate, the Authority has spent considerable time reviewing and developing solutions for those projects. Unfortunately, the completion of the projects will require a significant additional investment of state resources.

Some of the problems associated with those projects are attributable to contractor error. As part of the reorganization, the SDA created a cost recovery group devoted to aggressively pursuing the recovery of taxpayer dollars spent for environmental remediation and errors and omissions. In its first few months, the cost recovery team celebrated the recovery of \$6.5 million for environmental remediation activities on a project in Camden – a solid start. SDA will continue to protect New Jersey taxpayer dollars by pursuing those responsible for environmental contamination and other errors.

As the state tackles its fiscal challenges, we continue to look internally by scrutinizing the SDA operating budget to ensure that all expenditures are necessary and reasonable. Since my arrival, SDA staffing levels are down ten percent from the Board-approved headcount resulting in payroll savings of \$2.6 million. In the years to come, we also will recognize taxpayer savings of approximately \$400,000 annually by consolidating our offices, with all Authority employees now located in Trenton. The recently approved 2011 Operating Budget is down approximately nine percent from the 2010 budget, reflecting cost reductions in nearly every area including: mileage reimbursement, rent and utility expenses; temporary staffing services; and a reduction of parking expenses.

While we recognize and acknowledge the need that exists in our state for improved educational facilities, we are also mindful of our commitment to fiscal responsibility which will allow us to direct state resources to the intended recipients, our schoolchildren. I look forward to continuing our work with New Jersey's communities, school districts, legislators and stakeholders to ensure that the children of New Jersey are provided the learning environments they need and deserve.

Sincerely yours,



Marc Larkins
Chief Executive Officer



CEO Marc Larkins is joined by Assemblyman Declan O'Scanlon, Superintendent Dr. William Setaro, SDA Chief of Staff Jason Ballard and students while at Clifton T. Barkalow Middle School in Freehold Township to announce ROD Grant funding.

Changes at SDA

The protection of taxpayer funds and preservation of our limited state resources are of utmost importance to Governor Christie and the SDA. For this reason, the SDA strives for maximum efficiency – both in its operations and its expenditures – as it pursues its mission of building schools for New Jersey’s schoolchildren. To that end, this year, the Authority underwent an internal reorganization that has resulted in a streamlined approach to school construction. The reorganization also brought a renewed focus on the Authority’s approach to cost recovery. In addition, the SDA is exploring the use of standardized designs and design elements as an efficient, financially prudent strategy for building school facilities projects. In keeping with the Governor’s direction, the Authority will continue to identify and pursue similar initiatives moving forward.

Internal Reorganization: Streamlining the SDA

Continuity and strong communication are essential if a school facilities project is to be completed on time and within budget. To maximize the Authority’s success in achieving these goals, a structural reorganization of the Authority was announced in June 2010.

The new structure moves away from a departmental model to a “team-based” approach for the delivery of school projects. Each team is now comprised of staff members with a broad range of competencies, working as one unit, to address all aspects and phases of a construction project. Specifically, project teams include SDA staff members with experience and training in construction, design, environmental, real estate, budget and planning.

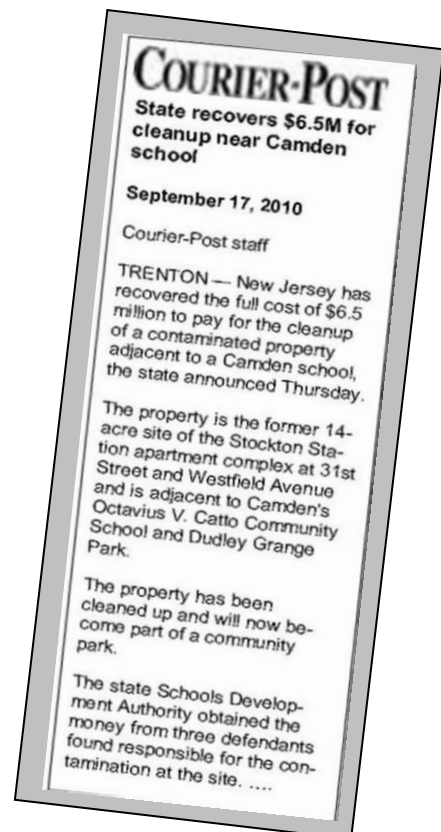
This structure promotes greater accountability and continuity throughout the entire lifecycle of a project, resulting in a more cost-effective delivery of schools. The new structure will also position the SDA to proactively and consistently apply improved approaches to project needs.

Holding Responsible Parties Accountable

The structural reorganization established a new Cost Recovery group that strategically positions the SDA to aggressively pursue recovery of taxpayer dollars by holding responsible parties accountable for environmental contamination or errors and omissions.

The SDA is already making significant strides in this effort. In August 2010, in cooperation with the Office of the Attorney General, the SDA recovered \$6.5 million for funds expended in connection with an environmental remediation in Camden.

The property is the former 14-acre site of the Stockton Station apartment complex and is adjacent to Camden’s Octavius V. Catto Community School. The remediation was completed in



July 2010 and is under development to become part of a community park.

“Simply put, public money should not be used to clean up and restore properties contaminated by private industry,” said New Jersey Attorney General Paula Dow. “Our office is committed to litigating these environmental cost-recovery cases to ensure that those who caused the contamination are held accountable.”

The SDA will also seek recovery of funds from parties responsible for project delays and design errors. An errors and omissions policy is being drafted to guide this process. The SDA has recently assigned four significant errors and omissions cases to legal counsel for review.

The new Cost Recovery group takes a proactive approach to errors and omissions – reviewing all change orders, construction change directives and architectural amendments to identify potential recovery issues. This strategy is intended to resolve issues and avoid the need for future cost recovery actions.

To date, the SDA has recovered \$9.15 million through environmental cost-recovery efforts and \$8.45 million for errors and omissions. More than \$6.9 million of this was recovered during the reporting period. We look forward to reporting on additional recoveries in future reports.

Model School Designs

The use of standardized design elements has the potential to afford efficiencies in the design and construction of school facilities. Standardized design will facilitate expedited design reviews and code inspections for faster delivery of school projects. A working group at the SDA is currently developing recommendations on how to implement standardized design for SDA projects. The group is evaluating three main areas for standardization – design principles, building materials and systems and educational spaces.

This working group will also make recommendations for standardizing elements for SDA facilities projects that will move forward upon conclusion of the Capital Plan Review. Upon finalizing the standardization requirements, the SDA plans to update its 21st Century School Design Manual to reflect these changes and begin implementing the requirements in future projects.

***“Simply put,
public money
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***– New Jersey Attorney
General Paula Dow***

SDA's Capital Plan Review: Striving for the Efficient and Best Use of Taxpayer Dollars

The SDA's Capital Plan is the heart of the SDA-managed program. In 2008, the SDA and DOE identified projects to be funded based on critical need and programmatic policy considerations. However, since 2008, the SDA has received requests from more than 15 percent of SDA Districts for changes to their projects. In addition, in June 2010, the Office of the New Jersey State Auditor issued a report recommending that the 2008 Plan be revised to remedy two deficiencies. The audit report criticized the Authority's inclusion of 27 projects in the 2008 plan that had been previously suspended due to budget shortfalls without subjecting them to the same prioritization process as other proposed projects. The report also criticized the determination to provide each district with at least one project irrespective of need. The full report of the New Jersey State Auditor can be viewed at www.njleg.state.nj.us/legislativepub/Auditor/90199.pdf.

As a result, the Authority began a comprehensive review of all projects in the SDA's portfolio not yet in construction to ensure that the most critical projects proceed statewide in a fiscally responsible way. This review, done in collaboration with the DOE, includes an evaluation of the policies that were used to develop the Capital Plan and will comply with the recommendations of the State Auditor set forth in the June 2010 report.

| SDA Capital Projects Under Review* | | | |
|------------------------------------|-------------------------------|-----------------|--|
| School District | School Name | School District | School Name |
| Asbury Park | E.S. (Bangs Replacement) | Newark | Gladys Hillman-Jones M.S. |
| Bridgeton | Cherry Street E.S. 1 | Newark | Oliver St. E.S. |
| Burlington City | Boudinot Area ECC | Newark | South St. E.S. |
| Camden City | Camden H.S. | Newark | West Side H.S. |
| Camden City | Lanning Sq. E.S. | Orange | Cleveland St. E.S. |
| Camden City | Pyne Poynt Family M.S. | Passaic City | Dayton Ave. E.S. |
| East Orange | George Washington Carver E.S. | Passaic City | Dayton Ave. M.S. |
| Elizabeth | Academic Magnet H.S. | Passaic City | ECC & BOE @ Henry St. Site/Leonard Place |
| Garfield | James Madison School No. 10 | Passaic City | ECC @ Dayton Ave. Site |
| Gloucester City | Gloucester City M.S. | Paterson | No. 3 E.S. |
| Harrison | H.S. conversion to M.S. | Paterson | No. 25 E.S. |
| Hoboken | Thomas G. Connors E.S. | Paterson | P.S. 16 E.S. |
| Irvington | Madison Ave. E.S. | Paterson | Marshall Street E.S.** |
| Jersey City | ECC 13 | Pemberton Twp. | Alexander Denbo E.S. |
| Jersey City | ECC 14 | Perth Amboy | High School |
| Jersey City | ECC 3 | Phillipsburg | Phillipsburg High School |
| Jersey City | E.S. 3 | Plainfield | Cook E.S. 3 |
| Jersey City | E.S. 20 | Pleasantville | Decatur Ave. Alt. H.S. |
| Keansburg | ECC Pre-K-2 (Caruso) | Pleasantville | ECC |
| Keansburg | Lorraine Place E.S. | Salem City | John Fenwick E.S. |
| Long Branch | Elberon E.S. | Trenton | ECC |
| Millville | Millville High School | Trenton | Roebbling School |
| New Brunswick | A. Chester Redshaw E.S. | Trenton | Trenton Central H.S. |
| New Brunswick | K Center | Vineland | Vineland M.S. No. 2 |
| New Brunswick | Paul Robeson Community E.S. | West New York | Memorial H.S. 4 |

*In addition to Capital Plan projects, the SDA is looking at additional projects submitted by the districts.

**The decision to review Marshall Street E.S. was made subsequent to the end of the reporting period of this Biannual Report.

Note: Newark's Elliott Street School, included in the 2005 Capital Plan, is not yet in construction and has been included in the review.

A SDA/DOE working group reviewed the 2008 Capital Plan prioritization criteria, along with the methodology used to determine project inclusion in that Plan. It also collected updated information from SDA Districts to confirm district educational needs and priorities, including student population, enrollment, district programs, grade alignment, and building and site inventories. Finally, the group performed a complete Intradistrict Prioritization.

The working group completed its initial review in mid-October. The results of the initial review are being vetted by SDA and DOE management. SDA expects the full review to be completed and presented to the Board in early 2011.

September Brings New Facilities to NJ Students

Benjamin Banneker Causes Celebration



Students perform at the ribbon-cutting ceremony for Benjamin Banneker Academy.

Before September 2010, students at the old Fourth Avenue School in East Orange were educated in a building with neither an auditorium nor science labs. The school's library was crammed into a small room in the basement where it shared space with the music program.

But in the fall of 2010, the students at the World War I-era Fourth Avenue School moved across East Orange to their new school: the 83,561-square-foot Benjamin Banneker Academy. Banneker held its grand opening on October 4 in its spacious new auditorium, highlighted by students proudly twirling American flags and those of other nations amid the sounds of Kool and the Gang's "Celebration."

"The opening of Benjamin Banneker brings joy," Interim Superintendent Dr. Gloria C. Scott told the students. "And your performance has me saying that, too."

The new school was constructed for 567 students in grades prekindergarten through 5. The technology lab has a hub of brand-new computers, and the media center has 10 computers as well, along with wooden shelves filled with books. Classrooms each have an interactive whiteboard to assist teachers with their lessons. Banneker, perhaps the only elementary school in the country with a theme of hospitality management, also has a room dedicated to teaching students how to function in the restaurant and hotel business.



Students at Benjamin Banneker Academy learn while using an interactive whiteboard.

Anwar Bourgeois, a Banneker fifth-grader, is thrilled with his new school building and believes it will help him achieve his dream of becoming an entrepreneur. He likes the size of the new school, calling the old one "too squooshy," and particularly loves the interactive whiteboards "because you get to come up and touch them and do lessons."

"I wanted to stay in this school forever."

-5th Grader Aanya Simmons

Fellow fifth-grader Aanya Simmons, an aspiring teacher, was excited about her new environment as soon as she walked in the first day of school in September. "It was cool," she said, "and I wanted to stay in this school forever."

111-Year-Old School Gets Addition

The original Lincoln Avenue Elementary School in Orange was built in 1899. Sixth-grade student Jonathan Reynolds compares the older building to an artifact. It’s little wonder that Lincoln Avenue students were excited to begin the 2010-2011 school year in a facility where the existing 81,856-square-foot building had been renovated and construction of a 48,174-square-foot, two-story addition provided 60 percent more space.



Ribbon-cutting at Lincoln Avenue E.S. in Orange.

The school now consists of 27 general-education classrooms, four special-education classrooms, seven small-instruction rooms and two computer labs, as well as rooms for speech, family consumer science, world language, science, art, and instrumental and choral music. The addition includes a cafeteria, gymnasium/auditorium and media center. The project also includes 12,015 square feet of playground space and a 25,698-square-foot parking lot.

“If you walk into our school today, you can feel the electricity from our children.”

– David Armstrong,
Lincoln Avenue E.S. parent
and PTO president

“I stand before you as a proud Lincoln Avenue parent,” said David Armstrong, PTO President. “If you walk into our school today, you can feel the electricity from our children, teachers and administration.”

Lincoln Avenue students are excited by the interactive whiteboards and computers in the classrooms. “The new technology will also help students be more active in their learning,” Jonathan Reynolds said. Maryann Okoye, another sixth-grader, added “With all of the technology, we will have greater knowledge and have fun while learning.”

September Openings

Students at five schools in New Jersey walked into new or renovated facilities for the first time in September. The five SDA school openings benefited more than 3,000 students in districts across New Jersey. All but one of these schools are in SDA Districts. Three of the schools are newly constructed; the other two involve addition, renovation and rehabilitation work. These schools represent a \$197.4 million state investment that provides 21st century educational opportunities to New Jersey students.

| September 2010 School Openings | | |
|---------------------------------------|---------------------------|-------------------------|
| District | School | Student Capacity |
| East Orange | Benjamin Banneker Academy | 567 |
| Greater Egg Harbor | Cedar Creek H.S. | 1,092 |
| Newark | Speedway E.S. | 690 |
| Orange | Lincoln Ave. E.S. | 645 |
| Paterson | Madison Ave. K Center | 84 |

Overall Accomplishments

From its inception through September 2010, the state’s school construction program has completed 623 projects in SDA Districts: 55 new schools, 46 extensive additions, renovations and/or rehabilitations, and more than 500 other projects. It has also completed 25 projects in Regular Operating Districts: seven new schools and 18 extensive additions, renovations and/or rehabilitations.

School Openings – Start to Finish



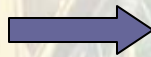
Benjamin Banneker Academy, East Orange



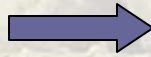
Cedar Creek High School, Greater Egg Harbor



Lincoln Avenue Elementary School, Orange



Speedway Elementary School, Newark



Madison Avenue K Center, Paterson

Emergent Work – Ensuring the Health and Safety of New Jersey’s Students

Ensuring Student Safety

The Authority continues to focus on advancing SDA District emergent projects — those deemed necessary by the DOE due to potential health and safety conditions. There were 122 emergent projects in the SDA portfolio as of September 30, 2010, reflecting an estimated \$78 million in State investment. Emergent projects are SDA-funded and either managed by the SDA or delegated to a local school district. As of September 2010, the status of the emergent-project program was as follows:

SDA-managed: 40 projects, estimated total cost of \$35.3 million

- Completed: 3
- Design Phase: 7
- In Construction: 17
- Construction Procurement: 11
- Scope Development: 1
- Under Review at DOE: 1

Delegated to SDA Districts: 82 projects, estimated total cost of \$42.7 million

- Completed: 8
- In Construction: 33
- Design Phase: 41

Newark Schools Receive SDA Resources

Built in 1872, Newark’s South 8th Street School, now known as the Martin Luther King Jr. Elementary School, housed students eight years before Thomas Edison invented the electric light bulb. In 2010, this 138-year-old school received \$1.35 million in emergent funds for needed boiler replacements.

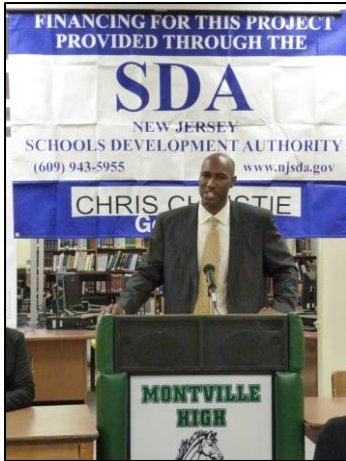
This elementary school is just one of 24 schools in Newark that are benefitting from SDA’s emergent program, some with multiple projects in a single school facility. Over half of the Newark schools receiving emergent funds are more than 100 years old. For example, the Avon Avenue School, built in 1905, is receiving roofing work estimated at more than \$500,000.

SDA is currently managing 11 projects in Newark worth an estimated \$13.8 million, while the district is managing an additional 15 projects worth an estimated \$7.1 million. These include plumbing, roofing, masonry, boiler replacement and water infiltration projects.



Emergent roofing work progresses at the Avon School in Newark.

Regular Operating District Grants: Providing School Construction Funds to Hundreds of Schools Statewide



CEO Marc Larkins announces resumption of the ROD Grant Program.

The SDA is committed to easing local taxpayers' burden by providing state grants to assist with school facilities projects. These grants allow districts to perform necessary improvements to the learning environments for schoolchildren throughout New Jersey's 573 Regular Operating Districts (ROD).

In May 2010, CEO Marc Larkins announced that the Christie Administration was resuming the ROD Grant Program with the release of 142 facilities projects at 111 schools in 59 school districts throughout the State. From the May announcement through September 30, 2010, the SDA fully executed 310 grants upon review and receipt of school district documentation.

ROD grants fund at least 40 percent of eligible costs for projects, with the remaining share approved by local referenda or through individual school-district budgets. The DOE approves applications for projects that specifically address health and safety concerns as well as overcrowding, early childhood education and special education needs.

Reeds Road E.S. Gymnasium On Its Way

With gym class being held in the school's cafeteria, students at the Reeds Road E.S. in Galloway had to play quietly to avoid disturbing students in nearby classrooms.

"Now we will be able to go all out when playing," said sixth-grade student Nicole Gruber. With the construction of a new gymnasium underway, Nicole looks forward to having more room for gymnastics, one of her favorite activities at school.

The Reeds Road School in Galloway was built without a gymnasium, leaving students to make due with alternate spaces.

In June 2010, CEO Marc Larkins stood on the construction site of the new gymnasium alongside Assemblymen Vincent Polistina and John Amodeo as he highlighted the resumption of the ROD Grant Program. The Reeds Road project is on schedule for an April 2011 completion.



Construction site of the new gymnasium at Reeds Road Elementary School.

“The Reeds Road School family is waiting with anticipation for the opening of their new gym,” said Dr. William Zipparo, Reeds Road School Principal. “The staff and students at the school have been watching the construction of their new gym and can’t wait to step foot into it.”

***“I am
excited to
have more
room to play
and have
more fun.”***
– Clay Olley,
Reeds Road E.S.
fifth-grade student

As a sixth-grader at Reeds Road, Jake Galushka wishes only that he would be able to enjoy the new gymnasium for more than a couple months before going on to middle school next year. However, he said that he is happy that his little sister “will be able to use it longer, and all of the other kids at school are also excited.”

Clay Olley, a fifth-grader who loves to play dodgeball during gym class, is glad that he will have part of this year and all of next year to use the new facility. “I am excited to have more room to play and have more fun,” he said.

The new gymnasium has been designed for community use, including a separate entrance and restroom facilities. It will be used by the local Police Athletic League and the Galloway Township Athletic Association after school hours.

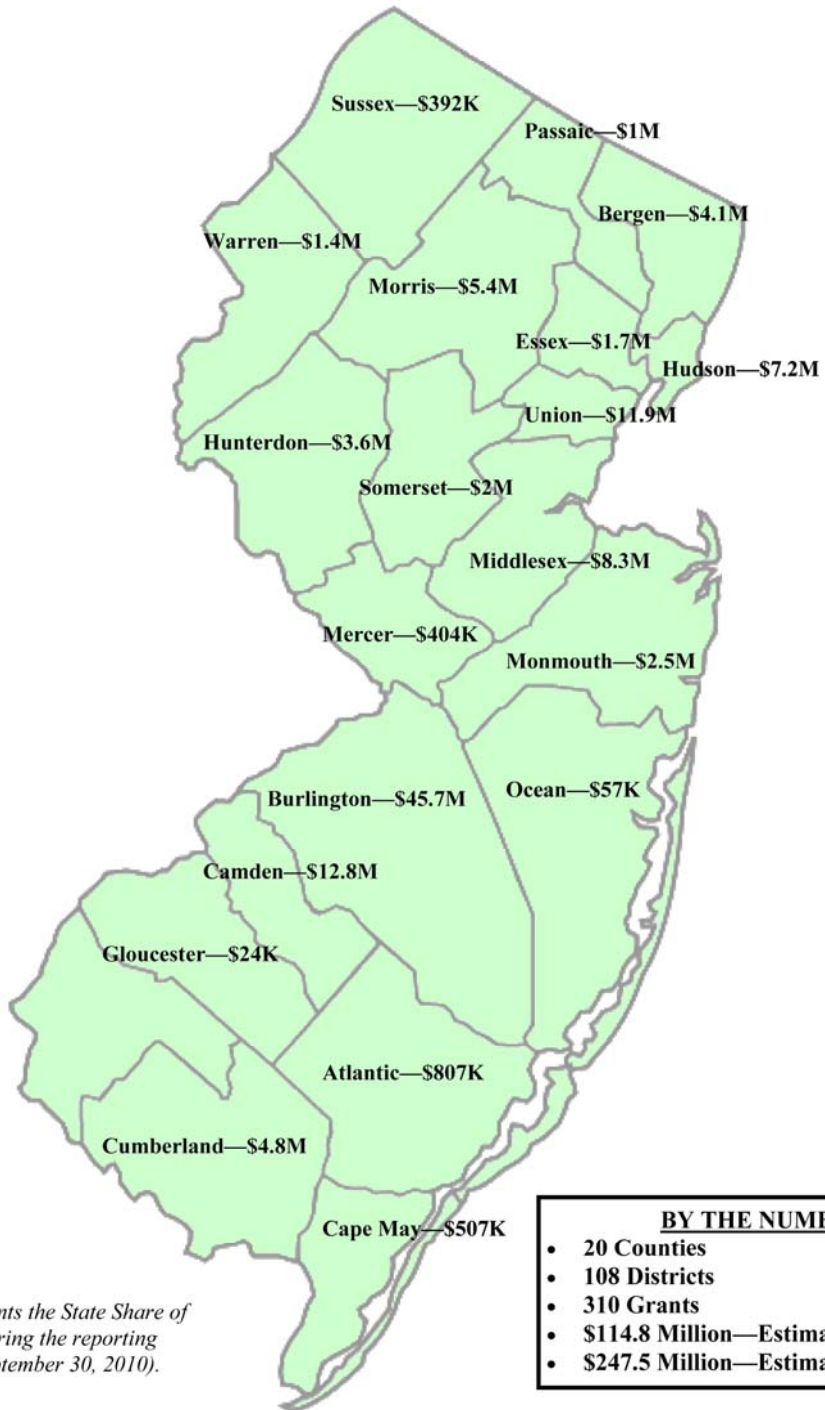
Willingboro Receives \$40 Million in State Grants

All eight of Willingboro’s schools will receive significant repairs and upgrades through the SDA’s Regular Operating District Grant Program. Projects include renovations to science labs, locker rooms and the high school auditorium. School upgrades also include new windows and exterior doors, new boilers and unit ventilators, upgraded electrical systems, ADA upgrades to bathrooms and security systems.

The cost for work on all eight schools is estimated at \$67.4 million, with \$40.1 million provided through State grants and the remainder through local contributions. The district expects work to begin in summer of 2011.

Dr. David Hespe, Willingboro School District superintendent, explained that work is needed on all of the district’s school facilities to avoid the potential of health and safety issues for students and staff. Dr. Hespe said, “These grants will allow the district to make critical repairs and improvements that will truly have a positive impact on students’ lives.”

Regular Operating District Grant Funds in Your Community



Note: Map represents the State Share of grants executed during the reporting period (April 1-September 30, 2010).

| <u>BY THE NUMBERS</u> | |
|------------------------------|--|
| • | 20 Counties |
| • | 108 Districts |
| • | 310 Grants |
| • | \$114.8 Million—Estimated State Share |
| • | \$247.5 Million—Estimated Total Costs |

Outreach to NJ's Small Businesses

Success Starts With Training

In 2010, the SDA established a contractor business development program to provide management technical assistance that will enable more small, minority and women-owned businesses to bid on State school facilities construction projects. This program combines informational seminars, instruction and one-on-one technical assistance to participating businesses. Firms selected to participate in the program learn from experts in the areas of finance, estimating, bonding, project management, bidding and marketing.

Harold Fruster works two jobs, including his role as President and Owner of Vailsburg Roofing Company. After operating for 17 years, he was looking for ways to expand his roofing business. Then he heard about the SDA's contractor business development program.

Mr. Fruster was one of 34 participants who received Certificates of Completion from the program's spring session. Mr. Fruster said, "I felt initially I did not have enough business background, and didn't think I could do this. However, after finding out what the process was, it boosted my confidence, and now I feel I have the skills and the ability to take advantage of these opportunities."

From the start of the program, Cathy Hegarty, Owner/President of North Jersey Crane Services, Inc., was enthusiastic. She found the classes to be extremely informative. "We have been given a lot of information and tools," she said. After participating in the contractor business development program, Cathy has succeeded in establishing a database of prospective purchasing agents and has applied for several school subcontracting bids.

The SDA looks forward to continuing a contractor business development program in 2011.

SDA Exceeds State Requirement for Small Business Participation

Governor Christie has demonstrated the importance of Small Business Enterprises (SBEs) to New Jersey's economy through the Administration's *Taking Care of Business* portal and recent efforts to reduce regulations on small businesses. SDA is committed to ensuring that SBEs have the tools they need to participate and succeed in New Jersey's school construction program.

Each year, the SDA exceeds the state requirement that at least 25 percent of all agency contracts be awarded to SBEs. For the reporting period, the SDA surpassed this requirement by its widest margin ever as SBE participation reached 65 percent, or \$7.2 million of the SDA's \$11 million in contracts awarded.

SDA Hard at Work in Your Community

While the Capital Plan Review is underway, the SDA remains busy managing school facilities projects around the state. At the end of the reporting period, the SDA was managing the construction of six new schools and 17 emergent projects in SDA Districts, as well as one new school and one addition/renovation project in Regular Operating Districts. In addition, the SDA was overseeing nearly 400 recently executed ROD grant projects and delegated emergent projects.

See what school construction projects are happening in your community. The charts below represent the work underway at the end of the reporting period, including new schools, addition/renovation projects, emergent projects and grants.

Countywide Totals At-A-Glance

(April 1 – September 30, 2010)

| Atlantic County | School District | Projects | State Investment | Total Estimated Costs |
|--|------------------------|-----------------|-------------------------|------------------------------|
| Number of Projects: 3 Total State Investment: \$57.1M Total Est. Project Costs: \$82.8M County Student Population: 45,439 | Egg Harbor City | 1 | \$14,351,611 | \$24,007,570 |
| | Egg Harbor Township | 1 | \$42,016,562 | \$54,908,621 |
| | Galloway Township | 1 | \$807,059 | \$3,889,829 |
| | | | | |

| Bergen County | School District | Projects | State Investment | Total Estimated Costs |
|---|------------------------------|-----------------|-------------------------|------------------------------|
| Number of Projects: 26 Total State Investment: \$4.8M Total Est. Project Costs: \$10.1M County Student Population: 135,115 | Alpine | 1 | \$188,720 | \$471,799 |
| | Cliffside Park | 1 | \$272,048 | \$680,120 |
| | Garfield | 1 | \$732,624 | \$732,624 |
| | Harrington Park | 2 | \$33,400 | \$83,500 |
| | Lodi | 1 | \$1,319,150 | \$2,366,000 |
| | Lyndhurst Township | 3 | \$158,561 | \$396,403 |
| | Mahwah Township | 3 | \$828,782 | \$2,071,955 |
| | Maywood | 1 | \$68,023 | \$170,058 |
| | Montvale | 2 | \$26,351 | \$65,876 |
| | North Arlington | 2 | \$358,787 | \$896,968 |
| | Oakland | 1 | \$56,953 | \$142,383 |
| | Pascack Valley Regional High | 1 | \$87,705 | \$219,262 |
| | Saddle Brook Township | 1 | \$85,150 | \$212,875 |
| | Waldwick | 1 | \$30,000 | \$75,000 |
| | Westwood Regional | 3 | \$365,345 | \$913,363 |
| | Wyckoff Township | 2 | \$207,200 | \$518,000 |

| Burlington County Number of Projects: 31 Total State Investment: \$77.1M Total Est. Project Costs: \$109.8M County Student Population: 73,245 | School District | Projects | State Investment | Total Estimated Costs |
|--|-------------------------------------|----------|------------------|-----------------------|
| | Burlington City | 1 | \$300,004 | \$300,004 |
| | Burlington Township | 2 | \$220,851 | \$500,013 |
| | Evesham Township | 4 | \$618,912 | \$1,547,279 |
| | Medford Township | 1 | \$53,150 | \$132,876 |
| | Moorestown Township | 3 | \$415,600 | \$1,039,000 |
| | New Hanover Township | 2 | \$3,505,921 | \$5,968,633 |
| | Northern Burlington County Regional | 1 | \$104,920 | \$224,040 |
| | Pemberton Twp. | 2 | \$31,052,072 | \$31,052,072 |
| | Shamong Township | 4 | \$576,187 | \$1,440,467 |
| | Southampton Township | 3 | \$92,768 | \$231,919 |
| | Willingboro Township | 8 | \$40,146,357 | \$67,357,027 |

| Camden County Number of Projects: 38 Total State Investment: \$60.2M Total Est. Project Costs: \$70.8M County Student Population: 81,400 | School District | Projects | State Investment | Total Estimated Costs |
|---|--------------------------------|-------------|------------------|-----------------------|
| | Barrington Borough | 2 | \$310,316 | \$775,789 |
| | Bellmawr Borough | 1 | \$189,534 | \$362,500 |
| | Black Horse Pike Regional | 2 | \$990,663 | \$1,648,000 |
| | Camden City | 10 | \$46,639,893 | \$46,639,893 |
| | Cherry Hill Township | 6 | \$1,368,286 | \$3,420,713 |
| | Eastern Camden County Regional | 5 | \$265,503 | \$663,758 |
| | Gloucester City | 3 | \$738,028 | \$738,028 |
| | Gloucester Township | 1 | \$595,249 | \$1,108,500 |
| | Lawnside Borough | 1 | \$4,416,796 | \$7,316,780 |
| | Pine Hill Borough | 2 | \$405,393 | \$590,542 |
| | Runnemede Borough | 3 | \$514,617 | \$963,936 |
| Winslow Township | 2 | \$3,789,757 | \$6,562,500 | |

| Cape May County Number of Projects: 2 Total State Investment: \$507K Total Est. Project Costs: \$1.0M County Student Population: 13,608 | School District | Projects | State Investment | Total Estimated Costs |
|--|-----------------|----------|------------------|-----------------------|
| | Middle Township | 1 | \$199,959 | \$499,897 |
| | Woodbine | 1 | \$307,536 | \$527,813 |

| Cumberland County Number of Projects: 8 Total State Investment: \$8.5 M Total Est. Project Costs: \$11.8 M County Student Population: 26,792 | School District | Projects | State Investment | Total Estimated Costs |
|---|---------------------------------|----------|------------------|-----------------------|
| | Bridgeton | 1 | \$3,806,581 | \$3,806,581 |
| | Commercial Township | 4 | \$494,423 | \$631,786 |
| | Cumberland Regional | 1 | \$3,482,972 | \$5,541,590 |
| | Downe Township | 1 | \$193,401 | \$425,699 |
| | Fairfield Township - Cumberland | 1 | \$593,522 | \$1,359,972 |

| Essex County Number of Projects: 56 Total State Investment: \$35.3M Total Est. Project Costs: \$37.8M County Student Population: 119,443 | School District | Projects | State Investment | Total Estimated Costs |
|---|------------------------|----------|------------------|-----------------------|
| | Belleville | 2 | \$379,255 | \$849,100 |
| | East Orange | 6 | \$3,167,395 | \$3,167,395 |
| | Fairfield Township | 1 | \$730,080 | \$1,825,200 |
| | Irvington | 9 | \$8,051,742 | \$8,051,742 |
| | Newark | 26 | \$21,005,663 | \$21,005,663 |
| | Orange | 2 | \$1,431,745 | \$1,431,745 |
| | South Orange-Maplewood | 2 | \$302,279 | \$755,696 |
| | West Orange | 8 | \$293,440 | \$733,600 |

| Gloucester County Number of Projects: 2 Total State Investment: \$24K Total Est. Project Costs: \$59K County Student Population: 49,730 | School District | Projects | State Investment | Total Estimated Costs |
|--|-------------------------|----------|------------------|-----------------------|
| | East Greenwich Township | 2 | \$23,695 | \$59,239 |

| Hudson County Number of Projects: 29 Total State Investment: \$124.8M Total Est. Project Costs: \$132.0M County Student Population: 77,385 | School District | Projects | State Investment | Total Estimated Costs |
|---|-----------------|----------|------------------|-----------------------|
| | Bayonne | 10 | \$5,950,361 | \$10,581,203 |
| | Hoboken | 4 | \$2,438,898 | \$2,438,898 |
| | Jersey City | 4 | \$3,955,965 | \$3,955,965 |
| | Kearny | 2 | \$1,223,392 | \$3,680,961 |
| | Secaucus | 1 | \$28,200 | \$70,500 |
| | Union City | 4 | \$47,094,883 | \$47,094,883 |
| | West New York | 4 | \$64,144,263 | \$64,144,263 |

| Hunterdon County Number of Projects: 14 Total State Investment: \$3.6M Total Est. Project Costs: \$9.1M County Student Population: 22,740 | School District | Projects | State Investment | Total Estimated Costs |
|--|----------------------------|----------|------------------|-----------------------|
| | Delaware Township | 2 | \$169,282 | \$423,204 |
| | Hunterdon Central Regional | 8 | \$1,654,433 | \$4,136,083 |
| | Tewksbury Township | 2 | \$1,622,476 | \$4,056,191 |
| | West Amwell Township | 2 | \$195,800 | \$489,500 |

| Mercer County Number of Projects: 12 Total State Investment: \$1.1M Total Est. Project Costs: \$1.7M County Student Population: 57,780 | School District | Projects | State Investment | Total Estimated Costs |
|---|----------------------------------|----------|------------------|-----------------------|
| | Hopewell Valley Regional | 9 | \$213,555 | \$533,888 |
| | Trenton | 2 | \$648,194 | \$648,194 |
| | West Windsor-Plainsboro Regional | 1 | \$190,224 | \$475,560 |

| Middlesex County Number of Projects: 52 Total State Investment: \$11.1M Total Est. Project Costs: \$23.6M County Student Population: 120,334 | School District | Projects | State Investment | Total Estimated Costs |
|---|--------------------------|----------|------------------|-----------------------|
| | East Brunswick Township | 5 | \$1,256,649 | \$3,141,622 |
| | Edison Township | 19 | \$2,470,710 | \$6,176,774 |
| | Metuchen | 4 | \$281,997 | \$704,992 |
| | New Brunswick | 2 | \$953,328 | \$953,328 |
| | North Brunswick Township | 4 | \$876,660 | \$2,191,650 |
| | Perth Amboy | 3 | \$1,781,635 | \$1,781,635 |
| | Piscataway Township | 1 | \$532,586 | \$1,331,464 |
| | Sayreville | 2 | \$666,922 | \$1,667,306 |
| | South Brunswick Township | 4 | \$713,881 | \$1,784,703 |
| | South Plainfield | 8 | \$1,528,000 | \$3,820,000 |

| Monmouth County Number of Projects: 29 Total State Investment: \$3.8M Total Est. Project Costs: \$7.6M County Student Population: 105,552 | School District | Projects | State Investment | Total Estimated Costs |
|--|---------------------|-----------|------------------|-----------------------|
| | Asbury Park | 3 | \$793,535 | \$793,535 |
| | Colts Neck Township | 3 | \$184,735 | \$461,838 |
| | Freehold Borough | 1 | \$64,760 | \$104,330 |
| | Freehold Township | 7 | \$485,534 | \$1,213,834 |
| | Hazlet Township | 3 | \$318,022 | \$795,055 |
| | Keansburg | 2 | \$293,852 | \$293,852 |
| | Monmouth Reg. High | 2 | \$822,404 | \$2,056,010 |
| | Neptune Twp. | 1 | \$242,684 | \$242,684 |
| | Ocean Township | 2 | \$192,720 | \$481,800 |
| | Rumson Borough | 3 | \$215,208 | \$538,021 |
| Upper Freehold Reg. | 2 | \$233,549 | \$583,872 | |

| Morris County Number of Projects: 45 Total State Investment: \$5.4M Total Est. Project Costs: \$13.5M County Student Population: 80,127 | School District | Projects | State Investment | Total Estimated Costs |
|--|---|----------|------------------|-----------------------|
| | Butler | 4 | \$311,612 | \$779,030 |
| | Chatham, School District Of The | 1 | \$720,000 | \$1,800,000 |
| | Hanover Township | 2 | \$235,258 | \$588,145 |
| | Harding Township | 3 | \$274,042 | \$685,104 |
| | Montville Township | 12 | \$1,430,904 | \$3,577,263 |
| | Morris | 2 | \$623,872 | \$1,559,680 |
| | Morris Hills Regional | 1 | \$903,600 | \$2,259,000 |
| | Netcong | 1 | \$160,130 | \$386,058 |
| | Pequannock Township | 2 | \$238,167 | \$595,417 |
| | Randolph Township | 4 | \$51,834 | \$129,585 |
| | Riverdale | 4 | \$104,950 | \$262,375 |
| | Washington Township - Morris | 8 | \$238,504 | \$596,258 |
| | West Morris Regional High School District | 1 | \$93,500 | \$233,750 |

| Ocean County Number of Projects: 5 Total State Investment: \$57K Total Est. Project Costs: \$143K County Student Population: 75,759 | School District | Projects | State Investment | Total Estimated Costs |
|--|---------------------|----------|------------------|-----------------------|
| | Manchester Township | 5 | \$57,270 | \$143,176 |

| Passaic County Number of Projects: 29 Total State Investment: \$54.1M Total Est. Project Costs: \$54.8M County Student Population: 80,099 | School District | Projects | State Investment | Total Estimated Costs |
|--|------------------------------------|----------|------------------|-----------------------|
| | Haledon | 2 | \$258,665 | \$389,800 |
| | Hawthorne | 1 | \$88,150 | \$220,375 |
| | Passaic City | 4 | \$48,755,540 | \$48,755,540 |
| | Passaic County Manchester Regional | 3 | \$620,938 | \$966,200 |
| | Paterson | 18 | \$4,363,002 | \$4,363,002 |
| | Prospect Park | 1 | \$67,811 | \$87,324 |

| Salem County Number of Projects: 3 Total State Investment: \$810K Total Est. Project Costs: \$810K County Student Population: 11,823 | School District | Projects | State Investment | Total Estimated Costs |
|---|-----------------|----------|------------------|-----------------------|
| | Salem City | 3 | \$810,266 | \$810,266 |

| Somerset County Number of Projects: 14 Total State Investment: \$2.0M Total Est. Project Costs: \$5.0M County Student Population: 55,006 | School District | Projects | State Investment | Total Estimated Costs |
|---|------------------------------|----------|------------------|-----------------------|
| | Branchburg Township | 4 | \$441,527 | \$1,103,816 |
| | Bridgewater-Raritan Regional | 1 | \$605,480 | \$1,513,700 |
| | Somerville Borough | 2 | \$99,238 | \$237,500 |
| | Warren Township | 2 | \$68,726 | \$171,814 |
| | Watchung Borough | 2 | \$139,105 | \$347,762 |
| | Watchung Hills Regional | 3 | \$640,398 | \$1,600,998 |

| Sussex County Number of Projects: 4 Total State Investment: \$392K Total Est. Project Costs: \$981K County Student Population: 25,048 | School District | Projects | State Investment | Total Estimated Costs |
|--|---------------------|----------|------------------|-----------------------|
| | Hopatcong Borough | 1 | \$41,380 | \$103,450 |
| | Montague | 1 | \$158,050 | \$395,125 |
| | Stillwater Township | 1 | \$39,189 | \$97,973 |
| | Vernon Township | 1 | \$153,676 | \$384,190 |

| Union County Number of Projects: 30 Total State Investment: \$60.4M Total Est. Project Costs: \$91.5M County Student Population: 87,317 | School District | Projects | State Investment | Total Estimated Costs |
|--|-----------------|----------|------------------|-----------------------|
| | Elizabeth | 9 | \$47,757,890 | \$47,757,890 |
| | Linden | 1 | \$2,406,065 | \$10,950,981 |
| | Plainfield | 2 | \$740,044 | \$740,044 |
| | Roselle Borough | 11 | \$3,030,935 | \$4,962,159 |
| | Summit City | 6 | \$1,247,149 | \$3,117,874 |
| | Union Township | 1 | \$5,259,907 | \$23,972,072 |

| Warren County Number of Projects: 8 Total State Investment: \$2.3M Total Est. Project Costs: \$4.4M County Student Population: 18,272 | School District | Projects | State Investment | Total Estimated Costs |
|--|----------------------------|----------|------------------|-----------------------|
| | Lopatcong Township | 1 | \$436,225 | \$1,090,563 |
| | Mansfield Township | 1 | \$236,500 | \$591,250 |
| | North Warren Regional | 2 | \$223,199 | \$557,997 |
| | Phillipsburg | 2 | \$820,997 | \$820,997 |
| | Pohatcong Township | 1 | \$380,338 | \$950,846 |
| | Warren Hills Regional High | 1 | \$173,401 | \$396,820 |

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Appendix

**A - Projects Undertaken by SDA as
Approved by DOE**

**B - Small Business Enterprise (SBE)
Contracts Awarded**

**C - Number of Minority/Female
Work-Hours by Trade**

**D - Cost of Construction per Square
Foot Comparison to MSA**

E - Financial Overview

Appendix A - Projects Undertaken by SDA as Approved by DOE

| Number of Projects Approved by DOE (April 1 – September 30, 2010) | | | |
|---|---|---|---|
| | Total School Facilities Projects Approved* | Required Educational Adequacy / FES Review | Projects Requiring Educational Adequacy/FES Review and Exceeding the FES |
| All Districts | 754 | 70 | 0 |
| SDA Districts | 18 | 0 | 0 |
| Regular Operating Districts | 736 | 70 | 0 |

**There were no SDA District or Regular Operating District projects that were approved above the Facilities Efficiencies Standards (FES) during the reporting period. Other Capital Projects, Vocational Technology or projects otherwise not eligible for State Aid are not reviewed for conformance to the FES.*

| Emergent Projects Undertaken by SDA as Approved by DOE* (April 1 – September 30, 2010) | | | |
|--|-------------------------|-----------------------------------|---|
| County | District | School | Project Description |
| Camden | Gloucester City | Cold Springs E.S. | Repair depression in the playground area below artificial surface |
| Camden | Gloucester City | Mary E. Costello E.S. | Partial roof replacement |
| Camden | Camden City | Lanning Square E.S. | Exterior masonry, structural |
| Essex | Newark | East Side H.S. | Cornice work, roofing, water infiltration |
| Essex | Newark | South Street E.S. | Exterior masonry and roofing |
| Essex | City Of Orange Township | Orange H.S. | HVAC repairs/replacement |
| Essex | East Orange | Jackson Academy | Roof repairs/replacement |
| Essex | Newark | Barringer H.S. | Plumbing repairs |
| Essex | Newark | Avon Avenue E.S. | Roofing repairs/replacement |
| Essex | Newark | Weequahic H.S. | Exterior masonry and roofing |
| Essex | City Of Orange Township | Orange M.S. | Gymnasium light fixtures replacement |
| Essex | Irvington | Berkeley Terrace E.S. | Roofing and exterior masonry |
| Monmouth | Asbury Park | Thurgood Marshall Primary | Exterior masonry repairs |
| Passaic | Passaic City | Number 1, Thomas Jefferson E.S. | Tower Dome Roof repairs/replacement |
| Passaic | Passaic City | Number 11, Memorial E.S. | Roofing repairs/replacement |
| Passaic | Passaic City | Number 6, Martin Luther King, Jr. | Roofing repairs/replacement |
| Union | Elizabeth | Number 3, Peterstown E.S. | Replace ventilation units and HVAC units |
| Warren | Phillipsburg | Phillipsburg H.S. | Security system upgrades |

**Approval was given by the DOE during the reporting period for the SDA to begin work on these emergent projects.*

Appendix B – Small Business Enterprise (SBE) Contracts Awarded

The State legislature recently passed legislation that as of this writing was awaiting the Governor's signature. This legislation directs the SDA to biannually compile information on the number of school construction contracts entered into between the Authority and minority and women contractors during the reporting period. This information must include the total value of the contracts and the percentage that those contracts represent of all school facilities project construction contracts entered into by the Authority. Since June 2008, the SDA has provided this information in its Biannual Reports and will continue to do so.

| SDA Contract Awards to Small Business Enterprises (April 1 – September 30, 2010) | |
|--|----------------------|
| Total SDA Construction Contracts | \$ 11,010,410 |
| Total SBE Contracts | \$ 7,156,231 |
| Percentage of SDA Contracts Awarded to SBEs | 65% |

| SDA Contract Awards to Minority-Owned Business Enterprises (April 1 – September 30, 2010) | | |
|---|----------------------|--------------|
| Total SDA Construction Contracts | \$ 11,010,410 | |
| African-American-owned Business Enterprises | \$ 565,779 | 5.14% |
| Hispanic-owned Business Enterprises | \$ 5,941 | 0.05% |
| Asian-owned Business Enterprises | \$ 47,000 | 0.43% |
| Total Contracts to Minority-owned Business Enterprises | \$ 618,720 | 5.62% |

Note: One of the Asian-owned Business Enterprises was a woman-owned firm and is included in the totals of this chart and the chart below.

| SDA Contract Awards to Small Women-Owned Business Enterprises (April 1, 2010 – September 30, 2010) | |
|--|----------------------|
| Total SDA Construction Contracts | \$ 11,010,410 |
| Total SWBE and SMWBE Contracts | \$ 2,379,107 |
| Percentage of SDA Contracts Awarded to SWBE and SMWBE | 22% |

Note: SWBE is Small Women-owned Business Enterprises. SMWBE is Small Minority Women-owned Business Enterprises.

Of 44 contracts awarded to prime contractors and subcontractors during the reporting period, three were awarded to African-American-owned firms, one to a Hispanic-owned firm and two to Asian-owned firms. Seven of the 44 contracts were awarded to women-owned business enterprises, all of which were SBEs. One of the seven women-owned business enterprises was owned by a minority woman.

Appendix C - Number of Minority/Female Work-Hours By Trade

| Construction Contracts: Number of Minority/Female Work-Hours by Trade (April 1 – September 30, 2010) | | | | | |
|--|------------------|---------------------|-----------------------------|-------------------|---------------------------|
| Trade | Total Work-Hours | Minority Work-Hours | Minority Percent Work-Hours | Female Work-Hours | Female Percent Work-Hours |
| Asbestos | 3,407 | 946 | 27.77% | 200 | 5.87% |
| Bricklayer or Mason | 42,603 | 6,836 | 16.05% | 823 | 1.93% |
| Carpenter | 60,552 | 7,271 | 12.01% | 0 | 0% |
| Concrete Finisher | 531 | 88 | 16.57% | 0 | 0% |
| Driller | 344 | 160 | 46.51% | 0 | 0% |
| Electrician | 46,581 | 8,652 | 18.57% | 32 | 0.07% |
| Elevator Constructor | 13 | 0 | 0% | 0 | 0% |
| Elevator Mechanical | 287 | 37 | 12.89% | 0 | 0% |
| Firestopper | 5 | 5 | 100% | 0 | 0% |
| Glazier | 3,708 | 184 | 4.96% | 0 | 0% |
| HVAC Mechanic | 4,034 | 0 | 0% | 0 | 0% |
| Insulator | 2,120 | 784 | 36.98% | 0 | 0% |
| Ironworker | 14,207 | 1,377 | 9.69% | 0 | 0% |
| Laborer | 56,461 | 27,156 | 48.10% | 331 | 0.59% |
| Operating Engineer | 12,724 | 812 | 6.38% | 168 | 1.32% |
| Other | 3,005 | 2,417 | 80.43% | 41 | 1.36% |
| Painter | 8,020 | 2,466 | 30.75% | 0 | 0% |
| Pipe Fitter | 66 | 0 | 0% | 0 | 0% |
| Plumber | 20,434 | 3,317 | 16.23% | 256 | 1.25% |
| Roofer | 7,420 | 2,080 | 28.03% | 0 | 0% |
| Sheet Metal Worker | 15,350 | 1,890 | 12.31% | 0 | 0% |
| Sprinkler Fitter | 3,870 | 695 | 17.96% | 0 | 0% |
| Steam Fitter | 282 | 0 | 0% | 0 | 0% |
| Surveyor | 184 | 56 | 30.43% | 16 | 8.70% |
| Taper | 2,135 | 381 | 17.85% | 0 | 0% |
| Tiler | 4,179 | 63 | 1.51% | 0 | 0% |
| Truck Driver | 180 | 92 | 51.11% | 0 | 0% |
| TOTALS | 312,702 | 67,765 | 21.67% | 1,867 | 0.60% |

Note: The chart represents work-hours during the reporting period for SDA-managed projects.

Appendix D - Cost of Construction per Square Foot Comparison to MSA

| Metropolitan Statistical Area Comparison Statistical Brief: Cost Per Square Foot (at time of bid) | | | | |
|---|----------------------------|-------------------|---------------|-------------|
| <i>This statistical cross-section of data is compiled from various sources. Report dates range from January 2009-September 2010.</i> | | | | |
| Source | Area | Elementary School | Middle School | High School |
| McGraw-Hill Metropolitan Statistical Area (April – September 2010) | Philadelphia | \$125 | \$257 | - |
| | New York | \$531 | \$567 | \$555 |
| School Planning & Management by State Average (January – December 2009) | N.Y., N.J., Pa. Average | \$385 | \$288 | \$199 |
| New York City School Construction Authority (July 2009 – June 2010) | New York City | \$495* | \$457* | \$509* |
| SDA-Managed Projects (2nd and 3rd Quarter Actual) | Statewide | - | - | - |
| <i>The table represents a statistical cross-section of data from numerous sources with report dates ranging from July 2007 to March 2010. Costs are at time of bid.</i> | | | | |
| <i>*Numbers reflect the New York City Mayor’s Management Report September 2010 costs at completion excluding budgeted Change Order Contingency of 10 percent.</i> | | | | |

The table above provides a comparison of cost per square foot for new school construction (public and private schools) within the Philadelphia and New York City Metropolitan Statistical Comparison (MSAs). This addresses the August 2007 statutory requirement that costs of school facilities projects undertaken and funded by the SDA be compared to similar school facilities projects constructed in the New York City and Philadelphia MSAs. The SDA did not bid any new projects during the reporting period and is therefore unable to report data.

The U.S. Office of Management and Budget is responsible for developing the standards for defining the MSAs and for applying these standards with Census data.

The table above also includes information from the School Planning and Management School Construction Report, a recognized national-construction data source, as well as information from the New York City Department of Education School Construction Authority. The use of multiple sources to monitor and analyze construction costs provides assurance that industry-wide pricing trends are addressed.

Appendix E - Financial Overview

In total, the Legislature has authorized \$12.5 billion in funding for the SDA (\$8.9 billion for SDA Districts, \$3.6 billion for RODs and vocational schools). Since the program's inception, the amount of debt financing issued to date to finance the program is \$8.649 billion.

Aggregate Principal Amount of Bonds

As presented in the table below, during the reporting period, with Governor Christie's approval, the New Jersey Economic Development Authority (EDA) issued an aggregate \$503 million of "new" School Facilities Construction Bonds and Notes. Of this amount, \$454 million was issued in the form of federally taxable-issuer subsidy-Build America Bonds (BABs). Two types of BABs were established under the American Recovery and Reinvestment Act (ARRA) of 2009; the particular type of BABs issued by the EDA, called Direct Payment BABs, allows the state to receive a federal subsidy equal to 35 percent of the bonds' interest payments.

| New Jersey Schools Development Authority | | | | | |
|---|-------------------|---------------|-------------------|----------------------|--------------------------------|
| EDA School Facilities Construction Bonds and Notes | | | | | |
| <i>(April 1-September 30, 2010)</i> | | | | | |
| Fiscal Year | Issue Date | Series | Restricted | Denominations | Principal Amount Issued |
| 2010 | 05/17/10 | CC-1 | BAB | \$5,000 | \$ 104,115,000 |
| 2010 | 05/17/10 | CC-2 | | \$5,000 | \$ 48,910,000 |
| 2010 | 05/17/10 | B Notes | BAB | \$2,000 | \$ 350,000,000 |
| Grand Total | | | | | \$ 503,025,000 |

During the reporting period, the EDA also issued an aggregate \$1.103 billion of School Facilities Construction Bonds and Notes, as follows, for refunding purposes:

| EDA School Facilities Construction Bonds and Notes | | | | | |
|--|-------------------|---------------|-------------------|----------------------|--------------------------------|
| Refunding - No Proceeds to SDA | | | | | |
| <i>(April 1-September 30, 2010)</i> | | | | | |
| Fiscal Year | Issue Date | Series | Restricted | Denominations | Principal Amount Issued |
| 2010 | 05/17/10 | DD-1 | | \$5,000 | \$ 667,420,000 |
| 2010 | 05/17/10 | DD-2 | | \$5,000 | \$ 35,740,000 |
| 2010 | 05/17/10 | B Notes | BAB | \$2,000 | \$ 400,000,000 |
| Grand Total | | | | | \$ 1,103,160,000 |
| Notes: | | | | | |
| <ul style="list-style-type: none"> ■ Pursuant to the provisions of the Educational Facilities Construction and Financing Act (C.18A:7G-14a), as amended, the aggregate principal amount of bonds, notes or other obligations the EDA may issue to finance school facilities projects, and the costs related thereto, shall not exceed \$12.5 billion. This limitation excludes indebtedness incurred for refunding purposes. ■ Bonds may be sold or issued in any multiple of the bond denomination. | | | | | |

Statement of Need to Adjust Principal Amount of Bonds

The SDA's funding allocation was fully committed in 2008 to its Capital Plan, an emergent-project reserve fund and expenditures on past projects. However, the Long Range Facilities Plans (LRFPs) filed by SDA Districts and RODs identify a significant additional financial commitment to complete all of the remaining school construction projects across the state.