

New Jersey Schools Development Authority Biannual Report



For the reporting period April 1, 2019 to September 30, 2019



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Chief Executive Officer

Andrew D. Yosha
Vice President – Program Operations and Strategic Planning

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Vice President & Chief Financial Officer

Jane F. Kelly, Esq.
Vice President - Corporate Governance & Legal Affairs

Following is the Biannual Report of the New Jersey Schools Development Authority (SDA) for the period April 1, 2019 through September 30, 2019. This report is submitted under the provisions of P.L. 2007, c. 137 (“The August 2007 legislative amendments”), which modified the Educational Facilities Construction and Financing Act (EFCFA) (P.L. 2000, c.72).

This report summarizes the progress and accomplishments of New Jersey’s school construction program during the six-month reporting period. The New Jersey Schools Development Authority (SDA or the Authority) fully funds and manages the new construction, modernization and renovation of school facilities projects in 31 school districts known as SDA Districts. The Authority also makes grants available to Regular Operating Districts (RODs) throughout New Jersey for facilities projects approved by the NJ Department of Education (DOE).

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SDA Board members touring the new Trenton Central High School

MESSAGE FROM THE CHAIRMAN & THE CEO



The New Jersey Schools Development Authority is an organization of dedicated and talented individuals, committed to improving the educational opportunities for thousands of New Jersey students through the construction and modernization of school facilities.



This reporting period coincided with a time of extraordinary challenge for the Authority. The SDA was confronted with a series of events that raised legitimate concerns as to the hiring practices that were underway at the Authority during this particular period of time. Despite the tumult that resulted, SDA continued to do what it does best – build quality schools for New Jersey students. During this reporting period, the SDA successfully opened four new school facilities that benefitted more than 3,800 students and provided more than 672,000 square-feet of new construction. The SDA has and

will continue to construct schools efficiently and effectively.

The SDA Board of Directors and current executive leadership moved swiftly to address the concerns and institute controls to respond to the issues identified in recent reports. In September 2019 the Board approved revisions to the Authority’s Bylaws and Audit Committee Charter along with additional changes to the SDA Policies, Program and Benefits Manual (Employee Handbook). We have adjusted our budget and reduced our headcount by 52 positions in order to more efficiently focus our resources on what we are here to do -- deliver educational facilities to New Jersey students.

While the Authority has faced criticism, there continues to be overwhelming support for our work and praise for the quality of the projects we deliver. We have taken strong action to strengthen our administrative controls and we are moving forward with our mission of delivering high quality schools on time and on budget to make a difference in the lives of thousands of students in New Jersey. We build quality schools and do it well.

While the SDA has made significant progress toward addressing the facility needs that exist throughout the State, we know that there is still more to be done in the SDA Districts. There are still 20,000 students who do not have the seats they need due to district overcrowding. There

are approximately 7 million square-feet of schools that are more than 90 years old, many of which do not conform to educational standards. SDA also funds Emergent Projects to address educational infrastructure needs related to potential health and safety issues throughout the 31 SDA Districts. These projects extend the useful life of school facilities. Lastly, the SDA provides Grant funding in all 21 Counties of New Jersey to Regular Operating Districts (ROD). The funding available from SDA to ROD's provides at least 40 percent of eligible project costs. The funds may be used to address health and safety, overcrowding, provide spaces to deliver in-district programs for disabled students, or deliver full-day kindergarten facilities for school districts required to provide full-day preschool. There are needs and projects that remain to be done in the State's hundreds of Regular Operating Districts.

SDA is committed to delivering high-quality educational facilities for the students of New Jersey. A vast significant need still exists within the State and the SDA is prepared and ready to continue to address this need. We are committed to ensuring that the public and our key stakeholders have total confidence in our ability to carry out our core mission in an efficient, effective and transparent manner.

IMPLEMENTING REFORMS TO STRENGTHEN CONTROLS

In a July 23, 2019 press release, when publicly releasing three reports regarding recent SDA hiring practices, Governor Murphy said, “The SDA plays a critical role in the construction, modernization, and renovation of schools in some of our most underserved districts across the state. The findings of these three reports will help guide SDA leadership in recommitting to the organization’s core mission: providing underprivileged students with safe, high-quality learning environments.” The SDA is committed to addressing the issues recently identified in these three reports while continuing to advance its mission.

While the SDA’s previous Bylaws, Audit Committee Charter and Employee Handbook successfully guided the Authority and its operations for twelve years without incident, the Board determined to further strengthen SDA’s processes and procedures in an effort to ensure that recent events will never reoccur.

Therefore, SDA executive management advanced, the SDA Audit Committee reviewed, and in September 2019 the Board approved, revisions to the Authority’s Bylaws and Audit Committee Charter. Additional Changes to the SDA Policies, Program and Benefits Manual (Employee Handbook) have been and will continue to be made by management following the SDA policy revision process.

The changes relate most significantly to strengthening its hiring practices. This includes amending the Bylaws to require that the CEO establish an annual staffing plan; establish a reorganization plan, when one is needed, that must be presented to the SDA Board; and administer a compensation plan through consultation with the Board. This ensures that the Board directly and routinely must provide input regarding CEO actions relative to personnel needs, salary levels, employee promotions, salary increases, etc. Amendments also required that the CEO update the Audit Committee regarding personnel and compensation matters at least once per quarter.

Some of the changes to the SDA’s employee handbook include an amendment that expressly stipulates that the Authority shall not employ relatives of any member of the Executive Team, in addition to those of the CEO and SDA Board Members. Another change requires that, before HR can make a job offer, the Executive Team must affirmatively recommend that the CEO approve the hiring. In addition, the proposed amendments provide that pre-hire background checks must be conducted routinely. It also stipulates that fingerprint checks may be performed

in connection with candidates for various SDA positions (Finance, HR, IT and other positions at management's discretion). In addition, the Executive Team must review job descriptions for any new position along with the resume of a prospective new hire for that position and determine that the qualifications have been met.

These represent only some of the key changes the SDA has made or will make to policies and procedures as management works to ensure recent events are never repeated.

Human Resources Consultant

The SDA continuously looks for ways to improve or enhance the program to ensure efficiency and accountability. The SDA Board of Directors authorized the procurement of a human resources consultant to further address the findings of the recent reports on policies and procedures of the Authority. Over the coming months, SDA will seek to engage the services of a consultant to comprehensively review and recommend enhancements for the NJSDA's Human Resources functions. That review will focus on job descriptions, compensation levels and operational efficiency, among other things.

BENEFITTING NEW JERSEY STUDENTS AND COMMUNITIES

New Schools to Benefit Generations of Students

As students across New Jersey returned to school for the 2019/2020 school year, the New Jersey Schools Development Authority celebrated the opening of four new schools. These new facilities provided more than 3,800 additional seats for students throughout New Jersey. New schools in Irvington, Passaic, Perth Amboy and Trenton will provide current and future young scholars with a learning environment that will allow them to focus on achievement and success.

4 New Schools
680,000 Square-feet of New Construction
3,800 New Seats
\$306 Million Invested

Upon the opening of four new schools that represent a \$306 million state investment, Governor Murphy said, “New Jersey is proud to offer its students the best public school system in the nation. With that privilege comes the responsibility of ensuring best-in-class educational facilities across all our communities that serve the needs of all our state’s students. With the opening of four new schools this year, our administration has made good on that promise.”

All of the SDA’s 2019 school openings were projects delivered using a design-build approach. The design-build method differs from the traditional design-bid-build approach by allowing the SDA to contract with one firm for both design and construction of a school facilities project. The design-build method also allows for some design and construction activities to proceed concurrently through phased advancement, an approach that potentially allows for improvement upon the original overall schedule.

The projects must adhere to the SDA’s Model Schools Program and Kit of Parts Design. The Model Schools Program strives to balance the benefits of standardization with the recognition that each SDA school district and project are unique. While Kit of Parts Design allows for a variety of plan arrangements, based upon differing site sizes and configurations, while maintaining a high degree of consistency in program components. The SDA’s efforts do not

stop there and require adherence to the SDA’s Design Standards incorporating Materials and Systems Standards, and Performance Specifications.

The projects also incorporate the guidelines developed by the United States Green Building Council (USGBC) known as the "Leadership in Energy & Environmental Design ("LEED®") program in order to achieve maximum energy efficiency and environmental sustainability in the design of schools. All four schools are on track to achieve LEED certification, with three of the buildings expected to achieve LEED Silver certification.

Madison Avenue Elementary School, Irvington

The school principal welcomed guests to the new Madison Avenue Elementary School ribbon cutting ceremony noting that it is a place “where, every day is a great day for learning and teaching.” The event was a celebration highlighted by pre-kindergarten students who recited the pledge of allegiance, student cheerleaders who shared their excitement and members of the chorus singing the national anthem – officially welcoming attendees to their new school.



The \$38.6 million project replaced the former facility. One of the special features of the 73,000 square-foot Madison Avenue Elementary School is an outdoor play space that includes a basketball/volleyball court and running track. Following the ribbon cutting, guests toured the building, which provided an opportunity to see students actively engaged and excited to learn and play in their new educational environment.

Sonia Sotomayor School No. 21, Passaic City

On the first day of school in Passaic City, SDA joined students, State, local and school district officials as the red ribbon was cut, welcoming students to the new Sonia Sotomayor Elementary School. Named to honor the current US Supreme Court Justice, the newest Passaic school provides the educational spaces and resources needed to help Passaic students achieve academic success. Situated across the street from the Passaic Gifted and Talented Academy opened by the SDA in 2015, the new \$55.9 million facility will help to alleviate significant overcrowding that exists within the district.

“Today is a day that we can dream,” remarked Assemblyman Gary Schaer at the ribbon cutting ceremony. “When those things that we have sought for so many years have come to fruition. When the dreams that we’ve had at last have become brick and stone and steel and windows. Facilities where children can learn. This is proof positive that wherever a child lives in New Jersey he or she has the right to a good education.”

The new Sonia Sotomayor Elementary School is a 105,000 square foot facility designed to educate approximately 700 students in Kindergarten to 5th grade. A portion of the site not needed for the school will be developed through Passaic City oversight, providing an important necessary buffer between the school site and a busy commercial thoroughfare.

Rose M. Lopez E.S., Perth Amboy



At the ceremonial ribbon cutting for the new Rose M. Lopez Elementary School, those present learned of the significant contributions of the school’s namesake, a career educator. Rose Lopez’s husband spoke of her unending dedication to the students and families in Perth Amboy. She started a Saturday morning program to encourage learning and communication between students, parents and teachers. Her legacy also includes implementing a requirement for school uniforms– the first for a public school in New Jersey. This school honors her dedication to students and their education, providing innovative and inviting

learning spaces including a science demonstration room, visual and performing arts spaces, as well as recreational space.

This new school is a 128,000 square-foot facility designed to educate approximately 800 students and is being utilized by the district as a dual-language school for students in grades Kindergarten through second.

Trenton Central High School

The Trenton community awaited with excitement the day that 1,850 students entered the new Trenton Central High School. SDA staff were present as students walked the red carpet, starting a new chapter in the education of Trenton's youth. A few days earlier, SDA joined State and local officials to cut the ribbon on this \$155 million state-of-the-art facility.



“Having children learn in world class facilities like this compared to the struggles that the teachers and children had to go through over the years in the old facility – this is a game changer,” said Senate President Stephen Sweeney at the ribbon cutting ceremony. “It’s going to make all the difference in the world for these kids.”



Prior to the opening of the school, 20 Trenton Central High School graduates helped to install technology equipment for the incoming classes. The students, who graduated in June 2019, served as interns to Washington Computers, the organization responsible for providing and integrating the computers and other technology at the High School. Throughout their engagement, the student interns unboxed nearly 1,900 Chromebooks; tagged, inventoried and imaged the computers and wire laptop security carts; and installed computers in classrooms/labs. The interns also assisted in activating every new computer in the new TCHS.

The new Trenton Central High School is a 374,000 square-foot school designed to educate approximately 1,850 students in grades 10 through 12. The school includes five Small Learning Communities (SLC) and provides Career Technical Education programs related to Health Sciences, Culinary Arts, Construction, Physical Fitness, and Automotive Technology.

In recognition of the community's connection with the former High School facility, the new Trenton Central High School incorporates items preserved from the previous building. This includes four mosaics by Monty Lewis that were in the main entranceway, Travertine marble

panel from the old auditorium walls, portions of a column from the front of the building, the weathervane, a pinecone pediment, two of the auditorium chandeliers, and the concrete steps from the front of the school.

NJSDA 2019 School Openings				
School District	School Name	Approx. Capacity	Delivery Type	Total Estimated Project Cost
Irvington	Madison Avenue E.S.	500	Design-Build	\$38.6 M
Passaic City	Sonia Sotomayor School No. 21	700	Design-Build	\$55.9 M
Perth Amboy	Rose M. Lopez E.S.	800	Design-Build	\$56.4 M
Trenton	Trenton Central High School	1,850	Design-Build	\$155.4 M

To provide a closer look at the schools opened by SDA during this reporting period, we have included the following individual school profiles.

MADISON AVENUE ELEMENTARY SCHOOL

The new \$38.6M Madison Avenue Elementary School is a 73,000-square-foot elementary school facility designed to educate approximately 500 students in grades pre-kindergarten through five. The school, built on the site of the former school, includes 26 general education classrooms, small group instruction rooms, a cafeteria, a multipurpose room with stage, music and art rooms, a science/computer lab, and a media center. The school will also feature an outdoor play space that includes a basketball/volleyball court and running track.

SCHOOL DISTRICT

Irvington

PROJECT TYPE

New School

MAXIMUM CAPACITY

500

DELIVERY TYPE

Design - Build



CONSTRUCTION MANAGER

Epic Management, Inc.

GENERAL CONTRACTOR

Ernest Bock & Sons, Inc.

ARCHITECT

SSP Architectural Group

MADISON AVENUE ELEMENTARY SCHOOL



SONIA SOTOMAYOR SCHOOL NO. 21

The new \$55.9M Sonia Sotomayor Elementary School is a 105,000 square foot facility designed to educate approximately 700 students in Kindergarten to 8th grade. The school includes 30 general classrooms, five small group instruction classrooms, two science classrooms, instrumental and vocal music rooms, an art room, a multipurpose room with a stage, a gymnasium, a cafeteria, and a media center.

SCHOOL DISTRICT

Passaic

PROJECT TYPE

New School

MAXIMUM CAPACITY

700

DELIVERY TYPE

Design - Build



CONSTRUCTION MANAGER

Epic Management, Inc.

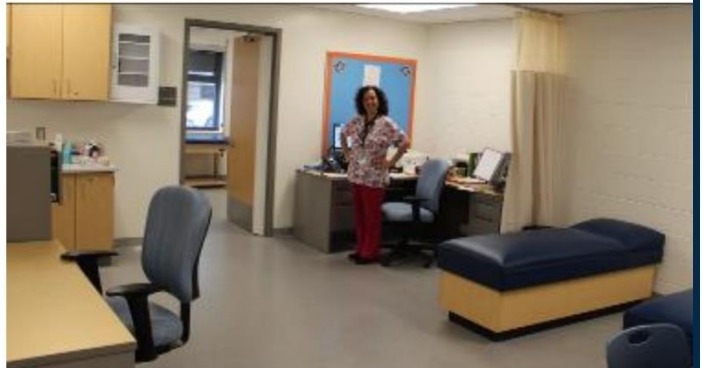
GENERAL CONTRACTOR

Dobco, Inc.

ARCHITECT

DiCara/Rubino Architects

SONIA SOTOMAYOR SCHOOL NO. 21



ROSE M. LOPEZ ELEMENTARY SCHOOL

The new \$56.4M Rose M. Lopez Elementary School is a 128,000 square-foot facility designed to educate approximately 800 students and is being utilized by the district for students in grades Kindergarten through second. The 3-story building was constructed on District-owned land and includes 38 classrooms, six Small Group Instruction Rooms, four Basic skills/ESL/Resource rooms, a Science Demonstration Room, a speech room, vocal and instrumental music rooms, a computer lab, a gymnasium, a media center, a cafeteria, a multipurpose room with stage, as well as outdoor play and learning areas.

SCHOOL DISTRICT

Perth Amboy

PROJECT TYPE

New School

MAXIMUM CAPACITY

800

DELIVERY TYPE

Design - Build



CONSTRUCTION MANAGER

GREYHAWK
North America, LLC.

GENERAL CONTRACTOR

EPIC Management, Inc.

ARCHITECT

DIGroup Architecture, LLC.

ROSE M. LOPEZ ELEMENTARY SCHOOL



TRENTON CENTRAL HIGH SCHOOL

The new \$155.4M Trenton Central High School is a 374,000 square-foot school designed to educate approximately 1,850 students in grades 10 through 12. The school will include five Small Learning Communities (SLC) and provide Career Technical Education programs related to Health Sciences, Culinary Arts, Construction, Physical Fitness, and Automotive Technology. Each SLC consists of 10 classrooms, two science labs, one art/project lab, five specialized instructional areas, a learning resource center, and support areas. In addition, the school includes a gymnasium, auxiliary gymnasium, swimming pool, dance studio, fitness center, weight room, cafeteria, media center, auditorium, two life skills labs, outdoor amphitheater and two ROTC classrooms.

SCHOOL DISTRICT

Trenton

PROJECT TYPE

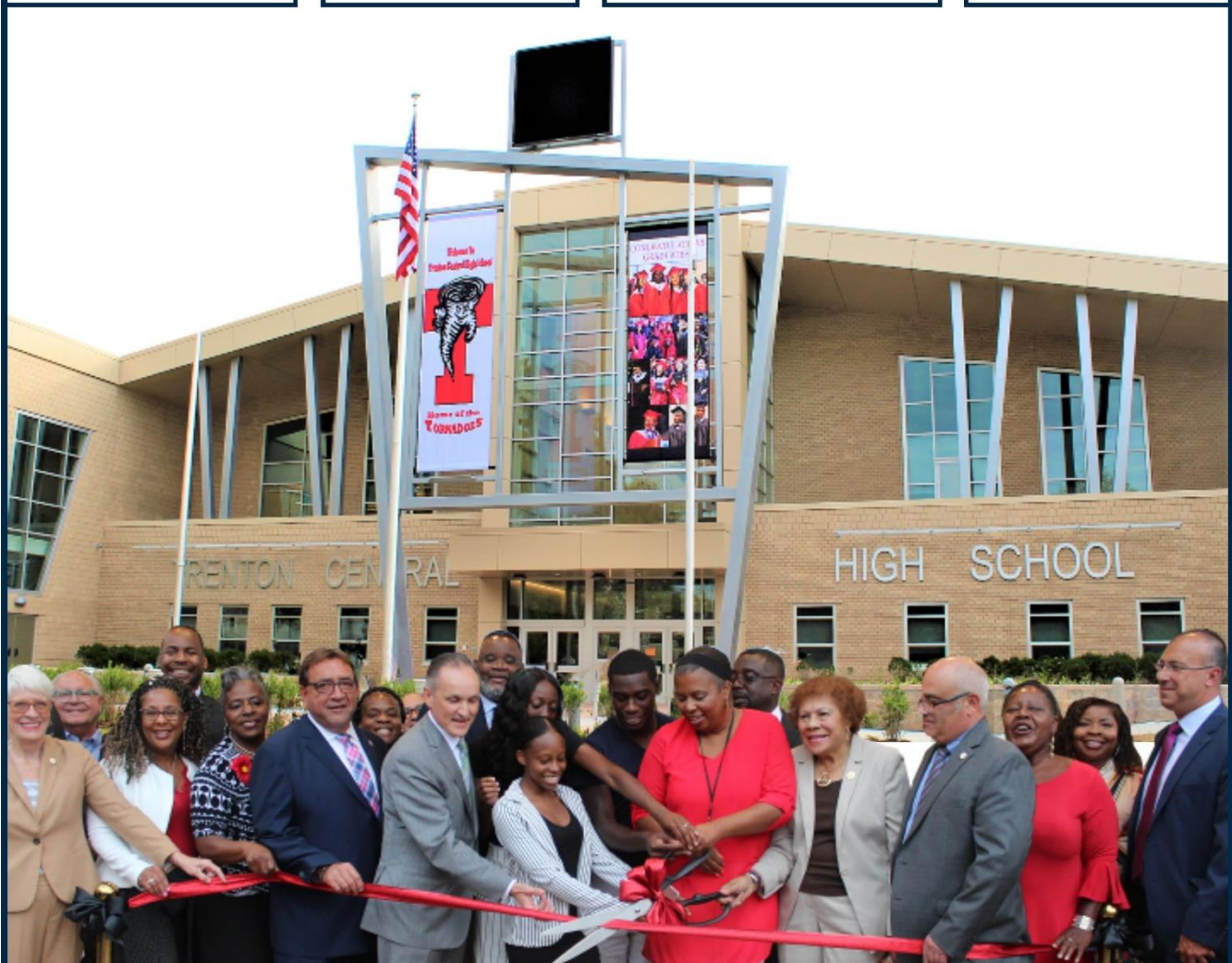
New School

MAXIMUM CAPACITY

2,176

DELIVERY TYPE

Design - Build



CONSTRUCTION MANAGER

CBRE Heery, Inc.

GENERAL CONTRACTOR

Terminal Construction Corp.

ARCHITECT

DIGroup Architecture, LLC

TRENTON CENTRAL HIGH SCHOOL



Breaking Ground for A New Future

In Camden, a new chapter is beginning with the construction of the new Camden High School. Students, alumni, teachers, community members, elected officials and district personnel donned their purple to celebrate the construction of the new school. With the well-known cheer of “If you want the High? You got the High!,” everyone present at the groundbreaking ceremony was excited for the opportunities a new building will present. Despite the rain that poured down on the attendees, smiles remained as officials took hold of their shovels to celebrate this important moment in Camden.

The new Camden High School will be a 270,000-square-foot, two-story facility for approximately 1,200 students in the 9th through 12th grades. The school will include four small learning communities, gymnasiums, a cafeteria, an auditorium and a media center, among many of its state-of-the-art amenities. The facility is scheduled to open to students in 2021.

In recognition of the community's strong connection with the former High School facility, the SDA worked closely with the school district to incorporate items preserved from the previous building into the new school. Such historic elements will include stairs from the main entryway, portions of the gym floor, a lantern, bricks and a turret among other items.

New Buildings Taking Shape

This reporting period was abundant with construction activity, both on schools that were opening in September as well as schools that were advancing through various stages of development. Importantly, the SDA engages the community and stakeholders throughout the lifecycle of a project. Such activities include participating in beam or brick signing events as a project reaches significant milestones. These type of events afford students, educators and officials an opportunity to leave their mark on a new school.

In Passaic, students and officials were eager to celebrate the progress of an educational campus that surely will be transformative for thousands of students. The students who signed their names to a piece of steel that day represented the generations of students that will benefit from the four new schools being built on that site - the Abraham Lincoln School,



the Muhammad Ali School, The Ellen Ochoa Gifted and Talented Academy, and the Mahatma Gandhi School.

The Dayton Avenue Educational Campus project, SDA’s largest project to-date, will consist of the construction of an approximately 448,000 square-foot, four-story educational campus that includes four school facilities located in a unified structure with shared central facilities. The campus is designed to educate a maximum of approximately 3,000 students in grades Pre-Kindergarten through eight.

This July, students and officials in Pemberton wrote their names on bricks that will become part of the new Denbo-Crichton Elementary School in Pemberton. The ceremony provided them with an opportunity to celebrate the progress of the new school and look forward to the opening that was only a year away. The new school will replace the former Crichton and Denbo Elementary Schools to deliver educational spaces for Pemberton students that align with New Jersey Department of Education standards.



The new Denbo-Crichton Elementary School will be a 126,000 square-foot facility for approximately 850 students from Pre-Kindergarten through the 5th grade. The school will have general classrooms, a multi-purpose room with a stage, a gymnasium, a science demonstration room, an art room, a technology lab, a vocal music room, and a computer lab. It is the largest project undertaken by SDA in Pemberton.

Construction Activities Continue Across the State

At the end of the reporting period, the SDA had six projects in construction that will provide more than 8,700 new seats and represents a state investment of nearly \$615 million. Three of these schools will open to students in September 2020.



Sheila Oliver Academy – East Orange



Kennedy Elementary School - Harrison



Denbo-Crichton Elementary School - Pemberton

Capital Projects in Construction as of September 30, 2019

District	Project Name	Project Type	Anticipated School Opening	Total Estimated Project Cost	Max Student Capacity
Camden	Camden H.S.	New School	September 2021	\$132.6 M	1,468
East Orange	Sheila Y. Oliver Academy	New School	September 2020	\$41.2 M	512
Harrison	Kennedy E.S.	New School	September 2020	\$36.1 M	432
Millville	Millville Senior H.S.	Addition/Renovation	Phased	\$137.5 M	2,384
Passaic City	Dayton Avenue Educational Campus	New School	September 2022	\$209.5 M	3,020
Pemberton	Denbo-Crichton E.S.	New School	September 2020	\$58.7 M	930
6 Schools in Construction:				\$615.6 M	8,746

In addition to those projects in construction, significant activity occurred on many other projects in the Capital Portfolio. At the end of the reporting period:

- 1 project was in the design phase of a design-build contract
 - Union Avenue Middle School, Paterson
- 2 projects were in the constructability review phase
 - Cleveland Street Elementary School, Orange
 - Orange High School, Orange
- 3 projects were in the procurement stage
 - Perth Amboy High School, Perth Amboy
 - Port Monmouth Road School, Keansburg
 - Woodland Elementary School, Plainfield
- 2 projects were in scope development
 - Demarest Elementary School, Hoboken
 - Grade 7-9 School, Union City

Improving Building Conditions - the Emergent Project Program

The Emergent Project Program further demonstrates the SDA's commitment to addressing educational infrastructure needs throughout New Jersey's 31 SDA Districts. The Emergent Project Program addresses school facilities in need of repair and rehabilitation, often extending the useful life of a school building. Examples of projects that address such conditions include

repair or replacement of roofs, windows, and exterior masonry (to address water infiltration issues), as well as repair or replacement of heating and cooling systems, plumbing, electrical, mechanical and security systems.

SDA is currently managing 12 emergent projects that were deemed necessary by the New Jersey Department of Education (DOE) due to potential health and safety concerns. At the close of the reporting period, the status of active emergent projects is as follows:

- 2 projects are in construction
- 9 projects are in design
- 1 project in scope development

SDA is also providing funding for one additional emergent project delegated for management by local school districts. The Pleasantville North Main Street Elementary School project was in design at the end of the reporting period. For projects that are delegated, the SDA executes a grant agreement with the local school districts. The district is then responsible for procuring and managing consultants and contractors. The SDA maintains oversight throughout the process.

For a status list of the SDA Emergent Program, please see Appendix B.

Grants Impact Districts Statewide

Since the inception of the State's school construction program, the SDA has executed 5,407 school facilities projects in 524 school districts in all 21 counties in New Jersey through the Regular Operating District (ROD) Grant program. Due to the investment by the SDA and the State, these districts have undertaken projects that include school security upgrades, HVAC repairs, roof replacements, significant rehabilitation as well as additions and new schools.

SDA provides grants of at least 40 percent of eligible project costs to local school districts to leverage the local resources that are used to fund these projects. Of the \$3.45 billion in authorized funding for the ROD Grant program, \$2.79 billion has been expended to date and the remaining funding is fully committed for approved projects.

During the reporting period, the SDA disbursed 361 payments totaling over \$18.6M, which included the close out of 99 projects impacting 35 school districts.

The extent of the positive impact of the SDA's ROD Grant program is demonstrated by the SDA's active portfolio of 446 grant projects in 119 school districts throughout the State. At the end of the reporting period, these active projects represent more than \$218.6 million in state share, of which \$111.9 million has been disbursed allowing for the additional expenditure of more than \$497 million in total project costs in New Jersey communities.

BENEFITTING NEW JERSEY BUSINESSES

Favorably Impacting New Jersey's Construction Industry

New Jersey's school construction program benefits not only students and communities, it extends to thousands of New Jersey's construction workers. In fact, SDA projects play a vital role in the State's economic stimulus efforts.

During this reporting period, the SDA opened four new schools. The \$306 Million in total project costs represents more than 2,600 job-years created (based upon a formula from a 2009 Bloustein School study). These jobs have real impacts for New Jersey's construction workforce - the plumbers, electricians, roofers, steelworkers and so many more industries who help SDA fulfill its mission.

For the capital projects in construction at the end of the reporting period, the nearly \$615 million investment in school facilities represents the creation of more than 5,300 job-years. In addition, the 446 active ROD Grants throughout the State with total project costs of more than \$497 million represents an additional 4,300 job-years created by investing in New Jersey schools.

SDA values its partnership with our contractors and consultants and is proud that our projects generate jobs in this important industry segment.

Construction Contracts for Small Businesses

The goal of the SDA's Small Business program is to ensure that at least 25% of the total dollar value of all publicly advertised contracts awarded by the SDA during a fiscal year goes to these firms. The SDA requires consultants and prime contractors to make good-faith efforts to identify and hire available small business enterprise sub-consultants and subcontractors and to award at least 25% of the total contract value to them. The SDA consistently meets or exceeds this goal as reflected in the 29% total achieved during this reporting period.

SDA Contract Awards to Small Business Enterprises (SBE) (April 1, 2019 – September 30, 2019)	
Total SDA Construction Contracts	\$58,879,891
Total SBE Contracts	\$17,029,790
Percentage of SDA Contracts Awarded to SBEs	29%

The SDA biannually compiles information on the number of school construction contracts awarded by the Authority to women and minority contractors. This information includes the total value of these contracts and the percentage that they represent of all SDA school facilities projects that have entered into construction during the reporting period.

This reporting period, SBE/women-owned businesses received \$34,320 or 0.1% of SDA total construction contracts awarded. This reporting period, MBE/minority-owned businesses received \$458,000 or 1%.

To view the breakdown of minority/female work hours by trade, please see Appendix C.

Encouraging Contracts for Disabled Veteran-Owned Businesses

During the reporting period, regulations were established by the New Jersey Department of Treasury to have firms 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 go to Disabled Veteran-owned businesses. This is similar to the SBE goals for school construction projects.

The SDA is committed to reaching and exceeding this goal as well in the coming years. Language has already been added to the SDA procurements for recent design-build contracts to incorporate this goal.

Upcoming Procurement Opportunities

The four schools opened by SDA during the reporting period were constructed by NJSDA Prequalified Contractors and Design/Builders and their subs, and the work was overseen by engaged Construction Management firms. In 2019, the SDA awarded or will award new work valued in excess of \$320 million.

SDA has a proven track record of consistently delivering projects on budget, on schedule, and with predictability. We are committed to strong partnerships with the construction community and look forward to providing new opportunities for New Jersey's construction industry at the end of 2019 and in 2020. In fact, the SDA plans to advertise construction work valued at more than \$80-100 million in 2020.

Among the projects we expect to award in the next reporting period are:

- Design-Build Services for the New High School in Perth Amboy (Construction Cost Estimate Range: **\$200-\$220M**)
- Construction Services for an Addition/Renovation for the Keansburg Port Monmouth Road School (Construction Cost Estimate Range: **\$10-\$20M**)
- Design-Build Services for Plainfield Woodland Elementary School (Construction Cost Estimate Range: **\$40-\$50M**)

Among the projects we expect to advertise in the next reporting period are:

- Emergent Project at Bridgeton High School (Construction Cost Estimate Range: **\$5-\$10M**)
- Emergent Project at Paterson PS #5 (Construction Cost Estimate Range: **\$5M-\$10M**)
- Site Preparation Services for a new Union City Middle School (Construction Cost Estimate Range: **<\$5M**)
- Emergent Project at Camden Veterans Memorial Family School (Construction Cost Estimate Range: **\$5M - \$10M**)

SDA FINANCES

In total, the New Jersey State Legislature has authorized \$12.5 billion in funding for SDA projects (\$8.9 billion for SDA Districts, \$3.45 billion for RODs and \$150 million for vocational schools). Since the program's inception through the end of the reporting period, the amount of bonds issued to fund the program equals \$11.152 billion, including \$350 million issued in November 2018. For a listing of bond issuances to date, please see Appendix F.

As of September 30, 2019, SDA had approximately \$302 million in cash on hand, having disbursed \$167.9 million during the reporting period. In September 2019, the SDA Board approved the Authority's 2018 financial statements, audited by Ernst & Young LLP. These can be found on the SDA's website at:

<https://www.njsda.gov/NJSDA/Public/AnnualAndOtherReports>.

The SDA strives to safeguard the resources that have been allocated to the school construction program. Toward that goal, SDA continued to pursue several cost recovery opportunities throughout the reporting period. Between April 1, 2019 and September 30, 2019, the NJSDA received a total of \$4,071,500 through its cost recovery efforts. These efforts included settlements of litigation brought against design professionals relating to the Long Branch High School Project (\$2,500,000), the Newark Science Park High School Project (\$1,387,500) and the Newark South Street and Oliver Street Elementary School Projects (\$184,000). In addition, between April 1, 2019 and September 30, 2019, the SDA resolved \$2,223,642 in contract claims for a total settlement amount of \$703,825. These settlements equal roughly 32% of the original amounts claimed and represent a significant cost avoidance.

RECOMMENDATIONS FOR CHANGE

Building Inventory Assessment

The SDA is prepared to advance the significant school facility work needs that were identified in the 2019 Educational Facilities Needs Assessment upon the authorization of additional funding for the program. In order to fully and properly assess facility condition needs, SDA leadership also recommends that an inventory and assessment be conducted of all SDA districts' school facilities. This important undertaking by the SDA would serve to inform future long term planning and to assist the SDA in identifying future funding needs.

APPENDIX

Appendix A - Status of Emergent Project Program

Appendix B - Number of Minority/Female Work-Hours by Trade

Appendix C - Cost of Construction Per Square Foot Comparison to MSA

Appendix D - School Facilities Construction Bonds and Notes

Appendix E - School Facilities Projects Approved by DOE

Appendix A - Status of Emergent Project Program

SDA-Managed Emergent Projects			
District	School Name	Project Scope	Status
Bridgeton	Bridgeton H.S.	Building Envelope – Roof & Masonry	Design
Camden	Veteran Memorial School	Ext. Masonry, Windows, Roofing & Site Work	Scope Development
Newark	Chancellor Avenue E.S.	Structural	Construction
Newark	Cleveland E.S.	Building Envelope/ Structural	Design
Newark	Harriet Tubman E.S.	Building Envelope- Basement Drainage	Design
Newark	Ivy Hill E.S.	Building Envelope/ Structural	Design
Newark	Lafayette Street E.S.	Building Envelope-Roof & Exterior Doors	Construction
Newark	Malcolm X. Shabazz H.S.	Structural	Design
Newark	Roberto Clemente E.S.	Building Envelope/ Structural	Design
Newark	Technology H.S.	Building Envelope/ Structural	Design
Paterson	PS 5 E.S.	Exterior Masonry & Roofing	Design
Plainfield	Plainfield H.S.	Building Envelope/ Structural	Design

District-Managed Emergent Projects			
District	School Name	Project Scope	Status
Pleasantville	North Main Street E.S.	HVAC – Boiler & Chiller Replacement	Design

Appendix B - Number of Minority/Female Work-Hours by Trade

Construction Contracts: Number of Minority/Female Work-Hours by Trade					
(April 1, 2019 through September 30, 2019)					
Trade	Total Work-Hours	Minority Work-Hours	Minority Work-Hours Percentage	Female Work-Hours	Female Work-Hours Percentage
Bricklayer/Mason	6,618	1,485	22.14%	32	0.48%
Carpenter	36,876	4,983	13.51%	79	0.21%
Caulking & Waterproofing	1,145	1,087	94.93%	0	0%
Concrete/Foundation/Footings/ Masonry Work	3,722	1,321	35.49%	0	0%
Demolition	2,138	1,374	64.27%	32	1.5%
Dockbuilder	1,294	0	0%	0	0%
Dry Wall	16	16	100%	0	0%
Electrician	73,496	17,792	24.21%	2,191	2.98%
Elevator Constructor	466	0	0%	0	0%
Fireproofing Applications	652	280	42.94%	0	0%
Flooring/Tile Installation	4,312	661	15.33%	0	0%
Glazier	3,659	287	7.84%	168	4.59%
HVACR	4,031	770	19.1%	20	0.5%
Insulation	1,668	599	35.91%	0	0%
Iron Worker	40,769	10,064	24.69%	646	1.58%
Laborer	86,114	46,212	53.66%	543	0.63%
Laborer – Asbestos & Hazardous Waste Removal	2,893	1,807	62.46%	365	12.62%
Laborer – Building	290	0	0%	0	0%
Landscape Construction	24	16	66.67%	0	0%
Masonry/Bricklayer	68,095	21,721	31.9%	1,717	2.52%
On-site Supervision	1,108	0	0%	0	0%
Operating Engineer	14,803	904	6.11%	352	2.38%
Painting – General	7,808	1,669	21.38%	72	0.92%
Pipefitter	7,415	1,219	16.44%	0	0%
Plumber	29,241	4,426	15.14%	0	0%
Roofing	4,854	2,058	42.4%	8	0.16%
Sheet Metal Mechanical	2,408	184	7.64%	380	15.78%
Sheet Metal Worker	13,605	4,531	33%	1,192	8.76%
Sheetrock Taper	1,001	961	96%	144	14.39%
Sprinkler Fitter	2,046	640	31.28%	0	0%
Surveyor	135	0	0%	0	0%
TOTALS	425,334	127,564	29.99%	7,969	1.87%

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

Metropolitan Statistical Area (MSA) Totals				
Cost Per Square Foot Comparison at Bid				
Statistical Brief				
Source	Area	Elementary School	Middle School	High School
Dodge Data & Analytics <i>(Formerly McGraw-Hill)</i> Metropolitan Statistical Area (MSA) (Reports Dated April 2019 - September 2019)	Philadelphia	\$546	\$370	\$836
	New York	\$365	\$288	\$541
School Planning & Management by Region 2 State Average ¹	NY, NJ, PA Average	-	-	-
New York City School Construction Authority[^] (Dated Sep. 2019 for Fiscal 2019)	New York City	\$792		
SDA Managed Projects* (April 2019 - September 2019)	Statewide	\$321	-	-
<p><i>The table represents a statistical cross-section of data from numerous sources with report dates ranging from July 2018 - September 2019. Costs are at time of bid.</i></p> <p><i>1 - No Current reporting for Region 2 (for NJ, NY and PA only) as reported by School Planning & Management.</i></p> <p><i>[^]Numbers reflect the New York City Mayor's Management Report Dated September 2019. Construction bid price for school capacity projects per square foot.</i></p> <p><i>*Cost at Bid for 1 SDA District Project (Keansburg - Port Monmouth Road ES Addition/Renovation). Construction costs do not include costs for site construction. (For projects advanced via Design-Build Engagements, design fees included in the bid amount have been deducted to calculate the Construction Cost Per Square Foot).</i></p>				

The table above provides a comparison of cost per square-foot for new school construction (public schools) within the Philadelphia and New York City Metropolitan Statistical Comparison areas (MSAs). This addresses the August 2007 statutory requirement that the cost of school facilities projects undertaken and funded by the SDA are compared to similar school facilities projects constructed in the New York City and Philadelphia MSAs.

Appendix D - School Facilities Construction Bonds and Notes

New Jersey Schools Development Authority EDA School Facilities Construction Bonds and Notes State Fiscal Years 2001–2019					
Fiscal Year	Issue Date	Series	Restricted	Denominations	Principal Amount Issued
2001	04/02/01	A		\$5,000	\$ 500,000,000
<i>Subtotal</i>					<i>\$ 500,000,000</i>
2002	12/28/01	B	QZAB	\$5,000	\$ 8,600,000
<i>Subtotal</i>					<i>\$ 8,600,000</i>
2003	10/16/02	C		\$5,000	\$ 600,000,000
2003	12/30/02	D	QZAB	\$5,000	\$ 29,400,000
2003	03/14/03	E	QZAB	\$5,000	\$ 7,929,000
<i>Subtotal</i>					<i>\$ 637,329,000</i>
2004	08/07/03	F		\$5,000	\$ 600,000,000
2004	01/23/04	G		\$5,000	\$ 650,000,000
2004	05/18/04	H		\$5,000	\$ 300,000,000
<i>Subtotal</i>					<i>\$ 1,550,000,000</i>
2005	08/31/04	I		\$5,000	\$ 250,000,000
2005	08/31/04	J		\$5,000	\$ 500,000,000
2005	04/06/05	L		\$5,000	\$ 150,000,000
2005	04/06/05	M		\$5,000	\$ 500,000,000
<i>Subtotal</i>					<i>\$ 1,400,000,000</i>
2006	10/04/05	O		\$5,000	\$ 750,000,000
2006	12/15/05	P		\$5,000	\$ 175,000,000
2006	12/15/05	Q		\$5,000	\$ 500,000,000
<i>Subtotal</i>					<i>\$ 1,425,000,000</i>
2007	11/02/06	R		\$5,000	\$ 500,000,000
2007	11/02/06	S		\$5,000	\$ 100,000,000
<i>Subtotal</i>					<i>\$ 600,000,000</i>
2008	10/04/07	T		\$5,000	\$ 500,000,000
2008	10/04/07	U		\$5,000	\$ 300,000,000
2008	06/03/08	X		\$5,000	\$ 250,000,000
2008	06/03/08	Y		\$5,000	\$ 200,000,000
<i>Subtotal</i>					<i>\$ 1,250,000,000</i>
2009	01/29/09	Z		\$5,000	\$ 175,000,000
2009	06/18/09	A Notes		\$5,000	\$ 400,000,000
<i>Subtotal</i>					<i>\$ 575,000,000</i>
2010	08/20/09	BB		\$5,000	\$ 200,000,000
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
<i>Subtotal</i>					<i>\$ 703,025,000</i>
2013	10/03/12	G Notes		\$5,000	\$ 119,060,000
2013	10/03/12	H Notes		\$5,000	\$ 119,060,000
2013	10/03/12	KK		\$5,000	\$ 136,880,000
<i>Subtotal</i>					<i>\$ 375,000,000</i>
2014	05/06/14	RR		\$5,000	\$ 60,000,000
<i>Subtotal</i>					<i>\$ 60,000,000</i>
2015	10/17/14	UU		\$5,000	\$ 525,000,000
<i>Subtotal</i>					<i>\$ 525,000,000</i>
2016	08/31/15	WW		\$5,000	\$ 500,000,000
<i>Subtotal</i>					<i>\$ 500,000,000</i>
2017	12/08/16	AAA		\$5,000	\$ 342,850,000
<i>Subtotal</i>					<i>\$ 342,850,000</i>
2018	10/05/17	DDD		\$5,000	\$ 350,000,000
<i>Subtotal</i>					<i>\$ 350,000,000</i>
2019	11/28/18	EEE		\$5,000	\$ 350,000,000
<i>Subtotal</i>					<i>\$ 350,000,000</i>
Grand Total					\$ 11,151,804,000

Note: There were no bond issuances during the reporting period.

Appendix E - School Facilities Projects Approved by DOE

From April 1, 2019 through September 30, 2019, the New Jersey Department of Education approved four school facilities projects, which were then undertaken and funded by the SDA. None of these projects exceeded the Facilities Efficiencies Standards (FES).

School Facilities Projects Approved by DOE				
April 1, 2019 – September 30, 2019				
	Total School Facilities Projects Approved	Required Educational Adequacy/FES Review	Projects Requiring Educational Adequacy/RES Review & Exceeding the FES*	% of Projects Requiring Educational Adequacy/FES Review and Exceeding the FES
All Districts	207	93	0	0
SDA Districts	4	1	0	0
RODs	203	92	0	0

The information included in the table above was provided by the New Jersey Department of Education, Office of School Facilities.