



Biannual Report



For the reporting period of October 1, 2019 - March 31, 2020



New Jersey Schools Development Authority (SDA)

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 New Jersey Department of Education (DOE).

SDA MISSION

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

SDA EXECUTIVE STAFF

Manuel M. Da Silva
Chief Executive Officer

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

Donald R. Guarriello
Vice President and Chief Financial Officer

Jane F. Kelly
Vice President – Corporate Governance and Legal Affairs

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Public Members



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*Director of Government Affairs,
NJ State Policeman's Benevolent Assn.*



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Business Representative, I.B.E.W. Local 456



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*General Counsel, Americas
Bjarke Ingels Group*



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Executive Director, Let's Celebrate, Inc.



Loren P. Lemelle
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*Business Manager/ Financial Secretary,
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Mario Vargas

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*Commissioner, New Jersey Department of
Education*



Tim Sullivan
*Chief Executive Officer, New Jersey
Economic Development Authority*



Lt. Governor Sheila Oliver
*Commissioner, New Jersey Department of
Community Affairs*



Elizabeth Maher Muoio
*State Treasurer, New Jersey Department of
the Treasury*

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MESSAGE FROM THE BOARD CHAIRMAN & THE CHIEF EXECUTIVE OFFICER



Robert Nixon, Board Chairman

It is with a sober sense of pride, gratitude and accomplishment that we present the Biannual Report of the New Jersey Schools Development Authority (SDA) for the period October 1, 2019 through March 31, 2020. This report is submitted under the provisions of P.L. 2007, c. 137 and summarizes the progress and accomplishments of New Jersey's school construction program during the six-month reporting period.



Manuel Da Silva, SDA CEO

Our accomplishments during this period are notable, but tempered with the stark reality of the public health crisis facing our state and our efforts at progress have been rooted in establishing safe working conditions for our employees and engaged trade workers and consultants. We are proud that as Governor Murphy affirmed that the important work we do remained designated as essential construction throughout this crisis, we have carefully and deliberately placed workplace safety as our highest priority.

COVID-19 has changed nearly every aspect of public and private life in New Jersey. However, the New Jersey Schools Development Authority remains an efficient and vibrant agency filled with talented professionals, now working predominately from home and the field. We delivered four school facilities for students in September 2019 and remain on target to deliver the remaining 14 capital projects by 2025. This includes active construction projects that will benefit more than 11,600 students and a state investment of more than \$864 million. We continue to be the “go to” construction authority for our statewide partners when it comes to school facility matters including Alyssa’s Law and the Statewide Mercury Flooring Initiative, both of which launched safely and carefully in the midst of the COVID-19 crisis.

During this reporting period significant progress was made on the three school facilities scheduled to open in September 2020 – the Sheila Oliver E.S. in East Orange, the Kennedy

School in Harrison and the Denbo-Crichton E.S. in Pemberton. Projects including the new Camden High School and the Dayton Avenue Educational Campus in Passaic continued to progress during this six month period. In addition, two addition/renovation projects entered into construction in the City of Orange.

This work on the SDA's current capital portfolio is combined with continued efforts toward the Emergent Project Program, with work ongoing for a dozen projects statewide. In addition, the SDA Grants staff continued to close-out hundreds of grant projects – dispersing millions of dollars to local communities.

One of the most important accomplishments during this reporting period was the issuance and approval of the 2019 Statewide Strategic Plan, which is detailed further in this report. This important document will help to further discussions regarding the additional funding needed for school facility projects throughout the State in the coming years. Great need still remains in SDA districts even after the current Capital projects are delivered, as covered in this report the 2019 Statewide Strategic Plan identifies a need of an additional 18,000 new students seats and 7 million square-feet of schools that are more than 90 years old in SDA Districts alone.

SDA has the expertise, proven track record and innovation necessary to continue to address the educational facility needs that exist throughout New Jersey by delivering quality schools while serving as effective stewards of taxpayer resources. SDA construction activities continued, as scheduled, throughout the State without missing a beat, even amid the challenges presented by the COVID-19 pandemic. This is a testament to the SDA's ability to adapt to ever-changing circumstances while adhering to our approach to project development and delivery that is rooted in the maximization of predictability and minimization of change.

The SDA's work also serves as an important economic driver in New Jersey, generating skilled trade job growth as well as opportunities for small, women and minority owned businesses. As a partner in economic stimulus, SDA has consistently and reliably generated jobs and opportunities around the state.

As always, we remain steadfast in our commitment to delivering projects for the students of New Jersey. We stand ready to work with our stakeholders and legislative partners to ensure that this state doesn't blink when it comes to its unprecedented commitment to providing the facilities needed in Districts throughout the State for the students of New Jersey.

ESSENTIAL CONSTRUCTION THROUGHOUT THE PANDEMIC

As the reporting period was coming to a close, New Jersey was faced with the unprecedented challenges of the Novel Coronavirus – COVID-19. SDA’s important work constructing public schools was and continues to be deemed essential construction, along with construction activities for hospitals, transportation, public utilities and affordable housing.



As the SDA construction activities were deemed essential construction to continue, the SDA moved swiftly to enact the recommendations of the governor including moving employee functions to a Work From Home/Work From Field status. This was done quickly and efficiently and with no disruption to our active projects in all stages including construction, design and predevelopment.

The safety of SDA staff and workers on SDA sites remains our priority, and we are committed to sharing important resources and safety information regarding COVID-19. SDA established a COVID-19 hotline for ease of reporting from our construction sites in order to assist in managing potential exposures. SDA has issued a number of communications to our partners to share updated guidance provided by the Centers for Disease Control and Prevention and the New Jersey Department of Health and created a library of online resources focused on helping to keep workers safe during this time. In addition, SDA required that our construction partners develop and provide a Business Continuity Plan in the Event of a COVID-19 Related Emergency. These plans described and identified the company’s plan for addressing staffing changes that may be required related to their operations and that of their subcontractors and subconsultants working on an SDA project.

SDA’s proactive efforts during this challenging time allowed us and our contractors to quickly respond to any adjustments needed in an effort to maintain the project’s schedule

and success. SDA will continue its important work of delivering schools while adhering to the State and Federal recommendations to ensure worker safety.

2019 STATEWIDE STRATEGIC PLAN

The Capital Portfolio managed by the SDA has provided over 20,000 new seats in SDA Districts and will deliver an additional 14,000 seats through other projects that are in progress, for a total of nearly 35,000 new seats. The Portfolio also addresses over 1 million square feet of concerning conditions in existing facilities. Nonetheless, there remains significant overcrowding as well as aging infrastructure needs beyond those that can be remedied within the existing Capital Plan portfolio. The SDA has adopted a Strategic Plan for advancement of activities to address that remaining need.

Consistent with statutory requirements to update our Strategic Plan every five years, the SDA issued the 2019 Statewide Strategic Plan during this reporting period.

The 2019 Statewide Strategic Plan establishes an approach to address the entirety of the need identified in DOE's 2019 Educational Facilities Needs Assessment (EFNA). With that as its goal, the Strategic Plan is grounded in three key principals:

- First, educational prioritization is the guiding fundamental principal of the Strategic Plan – the most prevalent issue being overcrowding.
- Second, the Strategic Plan applies a sequencing of activities to address the identified needs that is based upon logistical factors.
- Third, the SDA and DOE work in partnership with each school district to define the most appropriate and effective solutions that align with each district's overall facilities' needs.

Identifying the most severe facilities deficiencies within each SDA District, the 2019 EFNA provides the educational prioritization of needed projects with priority school facility needs in SDA Districts remaining focused on overcrowding as well as building age and condition. The approach for the development of a Strategic Plan for SDA Districts considers the application of logistical criteria to determine an appropriate sequencing of projects to address the priority needs. The most prominent logistical factor considered is the availability of land – i.e. the identification and acquisition of an appropriate school site.

The 2019 EFNA identifies a capacity need (overcrowding) of more than 17,500 seats in the SDA Districts, to address those needs the SDA's Strategic Plan includes 11 eleven high priority projects for a sequenced first tranche advancement based on land that is readily available under SDA or District control that is appropriate for building a school facility.

The Strategic Plan also identified seven high priority school districts for first tranche site identification activities in recognition of the severity of overcrowding in those districts. Upon identification of appropriate sites, projects to address overcrowding in these districts will be sequenced with other portfolio projects.

As an initial step in addressing aging infrastructure conditions in New Jersey's SDA Districts as identified in the 2019 EFNA, the Strategic Plan identifies five replacement facility projects for first tranche advancement based on the seriousness of facility deficiencies and the ready availability of land under the control of either the district or the SDA.

To more completely identify the extent of needed work in aging facilities, the 2019 Statewide Strategic Plan also includes the initiation of a Building Condition Assessment Survey across all SDA Districts. This will allow the SDA to most accurately define and prioritize work to address conditions at the 470 existing facilities throughout the 31 SDA Districts. The surveys will assess every condition and major system through a uniform, consistent approach and will estimate remaining useful life of those systems. This data will allow SDA to proactively and efficiently plan programs of work to address the needs identified by the inspections.

The Strategic Plan provides a framework for the advancement of working group discussions with SDA, DOE and School District personnel to validate needs identified in the first tranche and define the projects to address those needs. It is also important to note that the 2019 Statewide Strategic Plan supports the ongoing conversations regarding funding reauthorization to continue the important and necessary work of the SDA.

For a list of first tranche projects, please see Appendix A.

BUILDING AND IMPROVING SCHOOLS **THROUGHOUT NEW JERSEY**

Capital Projects

The State of New Jersey invests in the future of students by constructing state-of-the-art schools with inviting educational spaces and tools that will help current and future learners succeed. SDA knows that access to quality learning environments makes a positive impact on students. SDA-constructed facilities provide young scholars with the educational facilities that will help them learn, thrive and succeed in today's economy. These schools also provide our valued educators with the classroom spaces and resources that will help bring out the best in their students.

Breaking Ground For A New Facility in Paterson

The new Middle School at Union Avenue will provide a much-needed 163,000 square-foot facility for the Paterson community. In December 2019, SDA joined Paterson students, school district and local officials to celebrate a ceremonial ground breaking for the construction of this school building. The event provided an opportunity



for this community to envision the state-of-the-art facility that will rise on the construction site in the coming months. It will be a facility that will benefit generations of Paterson's young scholars.

The new school is designed to educate a maximum of 1,100 students in grades six to eight. The school will include 36 classrooms, six Small Group Instruction Rooms, nine science labs, an aquaponics lab, a vocal and instrumental lab, a computer lab, a gymnasium, a

*Assemblyman Benjie Wimberly at
the Paterson groundbreaking*

**“THIS IS SOMEWHERE KIDS CAN
CONTINUE TO LEARN – BECOME
DOCTORS, LAWYERS, BUSINESS
OWNERS AND HOMEOWNERS
EVENTUALLY HERE IN THE CITY
OF PATERSON. THANK YOU SO
MUCH SDA.”**

media center, a cafeteria with stage, and three art rooms. The facility is currently scheduled to open to students in September 2021.

The new middle school project also included the demolition of the former Don Bosco School, a facility that served as swing space while the SDA constructed other new facilities in the District.

A New Camden High School Takes Shape

The construction progress of the new Camden High School afforded the SDA an opportunity to celebrate the significant advancement of the project with the Camden community. In October, student leaders gathered among local stakeholders and officials to sign their names to a piece of steel that will become part of the new school – making the first of many lasting impressions they and their classmates will leave at the new Camden High School.

Like all SDA-constructed projects, the new Camden High School project is a testament to the strong partnerships SDA shares with the local school district officials and community stakeholders. Through this partnership, significant planning occurred to assure this new school would honor the past by incorporating items salvaged from the former facility. Such historic elements will include stairs from the main entryway, portions of the gym floor, a lantern, bricks and a turret among other items.



The new Camden High School will be an approximately 270,000-square-foot, two-story facility, educating approximately 1,200 students in 9th through 12th grades. The school

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This reporting period was highlighted by a substantial amount of activity on the SDA's Capital Portfolio projects, including nine projects in construction as of March 31, 2020.

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

- 14

SDA Projects in Construction as of March 31, 2020

District	Project Name	Project Type	Anticipated School Opening	Total Estimated Project Cost	Max Student Capacity
Camden	Camden H.S.	New School	September 2021	\$133 M	1,464
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
Orange	Cleveland Street E.S.	Addition/Renovation	September 2021	\$33.2 M	348
Orange	High School	Addition/Renovation	Phased	\$51.9 M	1,694
Passaic City	Dayton Avenue Educational Campus	New School	September 2022	\$240.9 M	3,020
Paterson	Union Avenue M.S.	New School	September 2021	\$113.9 M	1,100
Pemberton	Denbo-Crichton E.S.	New School	September 2020	\$58.7 M	930
9 Schools in construction				\$846.4 M	11,884

Projects that advanced during the reporting period include the following:

- Terminal Construction Corporation / Dinallo Construction Corporation received a notice to proceed, initiating the design portion of a design-build contract for the new **Perth Amboy High School** that will provide a 576,000 square foot facility designed to educate a maximum of 3,300 students in 9th through 12th grade. The school is planned for a September 2024 opening.
- Niram, Inc received a notice to proceed with the Constructability Review phase for the addition/renovation project at the **Port Monmouth Road School in Keansburg**. The project at Port Monmouth Road School includes an addition, renovations, system upgrades and repairs to the existing school that will educate the District's 315 Pre-kindergarten students.
- Epic Management, Inc. received a notice to proceed, initiating the design portion of a design build contract for the new **Woodland Elementary School in Plainfield**.

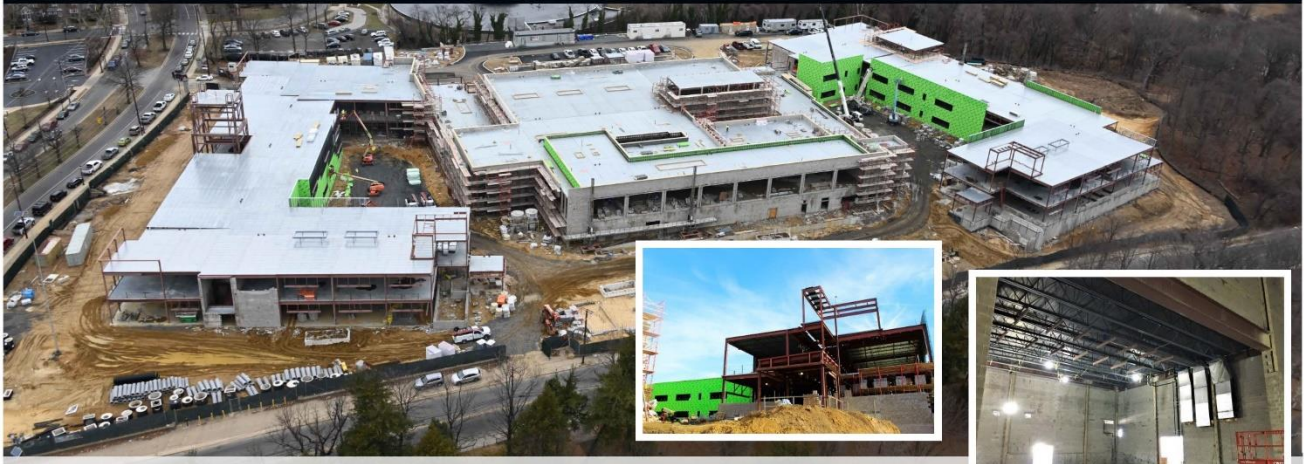
The new Woodland Elementary School will be a two-story, 120,000 square foot facility and is designed to educate a maximum of approximately 840 students in Kindergarten to 5th grade.

For a comparison of cost of construction per square foot, please see Appendix D.

The following school profiles provide a closer look at the schools in construction at the end of this reporting period.

Camden High School:

- **SCHOOL DISTRICT:** Camden
- **GRADES:** 9th to 12th Grade
- **CAPACITY:** 1,200 Students
- **TOTAL STATE INVESTMENT:** \$133 Million

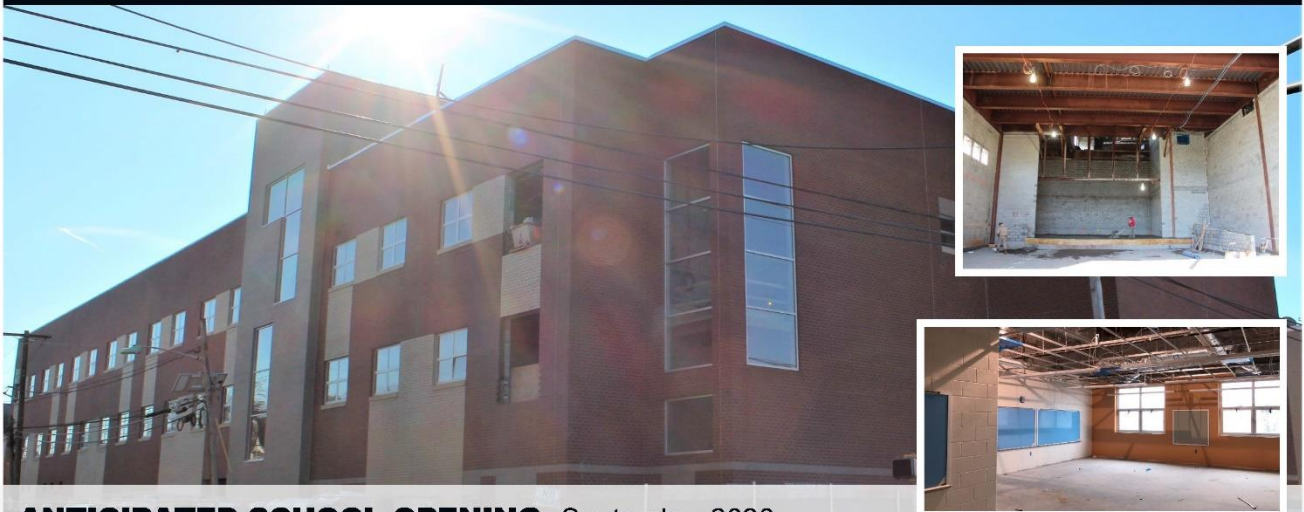


ANTICIPATED SCHOOL OPENING: September 2021

PROJECT STATUS: At the end of the reporting period, the approximately 270,000 square - foot, two-story educational complex is in active construction. The Design phase of the design-build contract is ongoing. The design-builder continues with masonry and exterior metal stud work.

Kennedy Elementary School:

- **SCHOOL DISTRICT:** Harrison
- **GRADES:** Pre-Kindergarten to 1st Grade
- **CAPACITY:** 430 Students
- **TOTAL STATE INVESTMENT:** \$36 Million



ANTICIPATED SCHOOL OPENING: September 2020

PROJECT STATUS: At the end of the reporting period, the 67,800 square-foot new school is in active construction. The building enclosure activities are ongoing. Roofing, window installation and finish work activities are also ongoing.

Sheila Y. Oliver Elementary School:

- **SCHOOL DISTRICT:** East Orange
- **GRADES:** Pre-Kindergarten to 5th Grade
- **CAPACITY:** 500 Students
- **TOTAL STATE INVESTMENT:** \$41.2 Million



ANTICIPATED SCHOOL OPENING: September 2020

PROJECT STATUS: At the end of the reporting period, the 77,000 square-foot new school is in the final stages of construction. Interior finish work is ongoing.

Dayton Avenue Educational Complex:

- **SCHOOL DISTRICT:** Passaic
- **GRADES:** Pre-Kindergarten to 8th Grade
- **CAPACITY:** 3,000 Students
- **TOTAL STATE INVESTMENT:** \$240.9 Million



ANTICIPATED SCHOOL OPENING: September 2022

PROJECT STATUS: At the end of the reporting period, the 448,000 square-foot new school is in active construction. The design-builder continues with exterior brick veneer. Framing work, MEP and interior CMU wall installation activities are ongoing throughout the building.

Cleveland Street Elementary School:

• **SCHOOL DISTRICT:** Orange

• **TOTAL STATE INVESTMENT:** \$33.2 Million



ANTICIPATED SCHOOL OPENING: September 2021

PROJECT STATUS: At the end of the reporting period, the 11,500 square-foot addition and renovation project is in active construction with site clearing and retaining wall activities are ongoing.

Orange High School:

• **SCHOOL DISTRICT:** Orange

• **TOTAL STATE INVESTMENT:** \$51.9 Million



ANTICIPATED ADDITION OPENING: September 2021

PROJECT STATUS: At the end of the reporting period, the approximately 38,000 square-foot, two-story addition and renovation project is in active construction. Footing, foundation and underground utility activities are ongoing.

Union Avenue Middle School:

- **SCHOOL DISTRICT:** Paterson
- **GRADES:** 6th to 8th Grade
- **CAPACITY:** 1,100 Students
- **TOTAL STATE INVESTMENT:** \$113.9 Million



ANTICIPATED SCHOOL OPENING: September 2021

PROJECT STATUS: At the end of the reporting period, the approximately 160,000 square-foot new school is in construction with the design phase ongoing. The design-builder is working on underground utilities and foundations. Steel fabrication is underway.

Denbo-Crichton Elementary School:

- **SCHOOL DISTRICT:** Pemberton
- **GRADES:** Pre-Kindergarten to 5th Grade
- **CAPACITY:** 930 Students
- **TOTAL STATE INVESTMENT:** \$58.7 Million



ANTICIPATED SCHOOL OPENING: September 2020

PROJECT STATUS: At the end of the reporting period, the 126,000 square-foot, two-story school is in the final stages of construction. Finish work has commenced throughout the school. Lighting fixtures are being installed throughout the building. HVAC units are being set-up and started.

Millville High School:

- **SCHOOL DISTRICT:** Millville
- **GRADES:** 9th to 12th Grade
- **CAPACITY:** 2,380 Students
- **TOTAL STATE INVESTMENT:** \$137.5 Million



ANTICIPATED SCHOOL OPENING: Phased until 2022

PROJECT STATUS: At the end of the reporting period, the first 228,544 square-foot addition is in the final stages of construction with interior finish work ongoing. Structural steel for the second 54,950 square-foot addition/renovation is complete with masonry enclosure underway.

Emergent Program

Through the emergent project program, the SDA continues to address conditions deemed necessary by the New Jersey Department of Education (DOE) due to potential health and safety concerns.

SDA is currently managing 12 emergent projects that represent a more than \$20 million State investment to improve existing buildings in the 31 SDA Districts. At the close of the reporting period, the status of active SDA-managed emergent projects is as follows:

- 2 projects are in construction,
- 9 projects are in design, and
- 1 project is in scope development/design procurement.

SDA is also providing funding for eight additional emergent projects delegated for management by local school districts. Seven projects are in the close-out phase and one is in construction. For projects that are delegated, the SDA executed a grant agreement with the local school district. 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.

ROD Grants

Since the inception of the State's school construction program, the SDA has favorably impacted more than 1,610 school facilities in more than 500 school districts in all 21 counties in New Jersey through the Regular Operating District (ROD) Grant program.

With State investment provided through the SDA, these districts have undertaken projects that include school security upgrades, HVAC repairs, roof replacements, and 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, \$2.92 billion has been expended to date and the remaining funding is fully committed for approved projects.

During the reporting period, the SDA disbursed 319 payments totaling over \$25.2 million, which included the close out of 80 projects impacting 35 school districts. During the reporting period, the SDA also executed three grants for projects in two school districts.

The extent of the positive impact of the SDA's ROD Grant program is demonstrated by the SDA's active portfolio of 367 grant projects in 99 school districts throughout the State. At the end of the reporting period, these active projects represent more than \$172 million in state share, allowing for the investment of more than \$395 million in total project costs in New Jersey communities.

Flooring Initiative

The New Jersey Department of Health published guidance in February 2020 for the evaluation and management of a certain type of flooring that may contain mercury.

Concerns regarding these flooring types have been the subject of news reports that have highlighted school districts in New Jersey and across the nation. The flooring types in question include rubber-like and water-resistant materials that are typically poured polyurethane that utilizes phenyl mercuric acetate (PMA) catalysts. These materials were historically installed in school multipurpose rooms, auditoriums, cafeterias and gymnasiums between the 1960s and the early 2000s. Testing has revealed that materials containing PMAs can break down over time and release odorless, colorless mercury vapor.

The SDA, in consultation with the New Jersey Department of Health and in accordance with their guidance document, is advancing an initiative to further evaluate those installed materials in SDA delivered school facilities. SDA is conducting site visits and bulk sample testing of those identified flooring types along with indoor air screening in the location of the installed flooring where needed. This work commenced in May 2020.

Alyssa's Law

Significant work was done during the reporting period to advance compliance activities related to Alyssa's Law, in cooperation with the New Jersey Department of Education.

Alyssa's Law defines a "panic alarm" as a silent security system signal generated by the manual activation of a device intended to signal a life-threatening or emergency situation requiring a response from law enforcement. The law states that each public elementary and secondary school building in New Jersey shall be equipped with at least one panic alarm that is directly linked to local law enforcement authorities. Further, the law requires that the panic alarm adhere to nationally recognized industry standards, including those of the National Fire Protection Association and Underwriters Laboratories, and installed by a licensed alarm system installer.

In December 2019, the NJSDA adopted regulations addressing Procedures for Compliance with Alyssa's Law and, in collaboration with NJDOE, issued Preliminary Guidance on Alyssa's Law Compliance and School Security Grants. The School Security Grants are authorized by the Securing the Children's Future Bond Act, P.L. 2018 c.119. To be eligible for a school security grant under the Bond Act, districts must first demonstrate Alyssa's Law compliance or provide a proposed plan for Alyssa's Law compliance for each school building in the district. During this reporting period, NJSDA and NJDOE launched the online compliance portal allowing districts to begin work on the Alyssa's Law compliance application that will allow them to obtain a certification of compliance or approval of planned work to comply with Alyssa's Law before applying for a Bond Act grant. Due to the current COVID-19 emergency, application deadlines will be extended to ensure that districts do not miss an opportunity for funding.

BENEFITTING NEW JERSEY BUSINESSES

Contractor Training Program

The SDA's commitment to assisting and elevating New Jersey's small businesses within the construction industry is clearly demonstrated by the offering of its annual Contractor Training Program in October 2019. The SDA's Contractor Training Program for small, minority, women, and disabled veteran-owned businesses assists firms with gaining invaluable knowledge on ways to advance their organizations with specifics on conducting business with the SDA and other state agencies.



The 19 participating firms represented trades including architecture, carpentry, electrical, environmental consulting, general contracting, landscaping, masonry, microbial remediation, pest control, project/construction management and telecommunication / IT. The firms participated in eight weeks of classes taught largely by SDA employees who are subject-matter experts in areas that include estimating, bidding, contract management and more. In addition, several outside professionals brought insight to employees through presentations on several New Jersey specific topics. This included Hester Agudosi, State of New Jersey Chief Diversity Officer, representatives from the New Jersey Department of Treasury Division of Property Management and Construction and the New Jersey Department of Labor, Division of Wage and Hour Compliance.

The program regularly receives high praise from the participants, and this year was no exception. SDA's Contractor Training Program is a meaningful, productive contribution to the long-term success of small, minority, women and disabled veteran owned businesses and to the overall good of the community.

Benefitting New Jersey's Construction Industry

This state's important educational infrastructure work invests in New Jersey's vital construction industry. The favorable impact of projects funded by the Schools Development Authority is real and measurable. As a potential pending economic crisis looms as a result of the COVID-19 health emergency, investing in our schools will benefit our current and future young learners while creating important jobs to keep construction workers employed.

For the capital projects in construction at the end of the reporting period, the \$846 million investment in school facilities represents the creation of more than 7,300 job-years. In addition, the 367 active ROD Grants throughout the State with total project costs of more than \$397 million represents an additional 3,400 job-years created by investing in New Jersey schools.

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 (October 1, 2019 – March 31, 2020)	
Total SDA Contracts	\$35,350,475
Total SBE Contracts (inclusive of MBE, SMWBE contracts)	\$10,151,993
Percentage of SDA Contracts Awarded to SBEs	28.71%

The SDA biannually compiles information on the number of school construction contracts awarded by the Authority to women, minority, and veteran-owned 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, WBE/women-owned businesses received \$488,881 or 1.38% of SDA total construction contracts awarded. This reporting period, there were no contracts to MBE/minority-owned businesses awarded. Veteran-owned businesses received \$140,000 or 0.40% of contracts and disabled veteran-owned businesses received \$1,080,300 or 3.06%.

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

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 is approximately \$11.502 billion, including \$350 million issued in November 2019. For a listing of bond issuances to date, please see Appendix E.

As of March 31, 2020, SDA had approximately \$499.5 million in cash on hand, having disbursed over \$156 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>.

SDA OPERATIONS

As detailed in the previous Biannual Report, SDA was confronted with a series of events in 2018 and 2019 that raised legitimate concerns as to the hiring practices that were underway at the Authority during that particular period of time. Those events were taken very seriously by the current Executive Team and Board of Directors and recommendations were made to implement new and enhanced controls in the area of hiring and operational efficiencies. During this reporting period, SDA is pleased to report that those policy, process and control improvements are in place and operating well.

The Board of Directors approved an award for a consultant to review and formulate improvements to the SDA's Human Resources function. As detailed in SDA regulations, the Human Resources Consultant procurement followed a competitive professional services selection process. Multiple bids were received from prospective vendors. No SDA employees participated in the selection committee and the awardee was approved unanimously by the Board of Directors. This action further effectuates the Board's commitment to the efficient operations of the SDA. The consultant is responsible for conducting a comprehensive review and providing recommended enhancements for the following areas: job descriptions, functional responsibilities and compensation levels; and operational efficiency evaluation. A Notice to Proceed was issued to Cowden Associates in February 2020 and this work remains ongoing.

Also in this reporting period, the Board of Directors approved the election of Manuel Da Silva as Chief Executive Officer of the SDA in December 2019, having served as interim since May 2019. Mr. Da Silva, in his previous tenure as Interim CEO worked diligently with the staff of the SDA to stabilize the authority and focus on the core mission and purpose of the SDA. The Executive Team of SDA and Mr. Da Silva ensured the delivery of four new school facilities in September 2019 in line with committed time frames and budgets. Mr. Da Silva has more than 20 years of experience in the fields of engineering and construction in both the public and private sectors, including projects with the Port Authority of New York and New Jersey, and the U.S. Postal Service.

RECOMMENDATIONS FOR CHANGE

Refunding the Authority

The data demonstrates that there are still 18,000 students in SDA Districts who don't have the seats they need due to District overcrowding. That's 18,000 kids trying to learn every day in spaces not conducive to educational adequacy. There is also still 7 million square-feet of schools in SDA Districts that are more than 90 years old, many of which do not conform to educational standards.

The SDA's 2019 Statewide Strategic Plan for SDA Districts provides the framework needed for further discussions regarding additional funding authorization. This Plan, as detailed earlier in the report, provides the sequencing of SDA activities that will address the significant overcrowding and aging infrastructure needs that exist in many SDA districts. It is anticipated that approval of additional funding for school construction would provide over 3.0 million square feet of school facilities and support the creation of more than 40,000 job-years (one job year equals one full-time job lasting one year). This state's commitment to educational infrastructure has been sustained and substantial. New Jersey has long recognized that this important work also bolsters our economy and invests in skilled trades that are vital to our economic health. The SDA has demonstrated that it is uniquely positioned, with the expertise and a proven track record, to deliver New Jersey's critical school facility projects on schedule, within approved budgets and in coordinated partnership with school district officials.

Revisions to the Public-Private Partnership Legislation

The SDA recommends revisions to P.L. 2018, c.90, the act concerning public-private partnerships for certain building and highway infrastructure projects. As the SDA strives to ensure an efficient use of public funds, one consideration is to maximize the SDA's ability to use alternative solutions to address facility needs in SDA Districts. For example, in the past we have achieved alternate project delivery efficiencies through means such as purchasing of a vacant non-public schools to meet district capacity needs – allowing SDA to address overcrowding at a significant cost reduction. The legislation, as enacted,

specifically omitted SDA from being considered a “State Government Entity.” It is recommended that the Public-Private Partnership legislation be amended to clearly include SDA projects as ones that can benefit from the broadest range of P3 Scenarios. This would include allowing SDA to be included as a state government entity so that, if appropriate, the SDA can more fully participate in alternative delivery methods that may more swiftly meet district need utilizing state resources more efficiently.

Municipal Master Planning & School Sites

As the SDA strives to address the capacity issues many SDA Districts face, one of the common challenges is the availability of appropriate land for the construction of new school facilities. The SDA recommends clear legislative language that would require local municipalities to effectively consider potential school sites in their master planning efforts.

A requirement that municipalities identify appropriate sites on which a school could be developed in the future would greatly assist the SDA in its efforts to deliver much-needed schools in a timely manner.

APPENDIX

Appendix A – 2019 Statewide Strategic Plan – First Tranche

Appendix B - Status of Emergent Project Program

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

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

Appendix E - School Facilities Construction Bonds and Notes

Appendix F - School Facilities Projects Approved by DOE

Appendix A – 2019 Statewide Strategic Plan – Projects Identified for First Tranche Advancement

Summary

Portfolio - First Tranche for Advancement

Capacity Generating Facilities				
Sequencing Based on Availability of School Site				
County	District	Grades Served	New Seats	New Capacity
Bergen	Garfield	PK - 5	1,412	826
Passaic	Paterson	9 - 12	1,176	1,000
Cumberland	Bridgeton	PK, 6 - 8, 9 - 12	779	700
Passaic	Passaic City	9 - 12	3,765	738
Atlantic	Pleasantville	PK - 5	539	205
Middlesex	Perth Amboy	PK	250	250
Hudson	Jersey City	PK	360	360
Hudson	West New York	PK - 8	549	500
8 Districts			8,830	4,579
Sequencing to Follow Identification of Appropriate School Site				
County	District	Grades Served	New Seats	New Capacity
Union	Elizabeth	PK - 12	TBD	TBD
Middlesex	New Brunswick	PK - 8	TBD	TBD
Essex	City of Orange	PK, 6 - 8	TBD	TBD
Hudson	Union City	PK - 8	TBD	TBD
Middlesex	Plainfield	PK - 5	TBD	TBD
Essex	East Orange	PK	TBD	TBD
Mercer	Trenton	PK - 5	TBD	TBD
7 Districts			TBD	TBD

Replacement Facilities			
Sequencing Based on Availability of School Site			
County	District	Grades Served	New Seats
Camden	Camden City	PK - 8	1,408
Essex	Newark	PK - 8	1,864
Salem	Salem City	PK - 8	961
3 Districts			4,233

Appendix B - 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 City	Veterans Memorial School	Exterior Masonry, Windows, Roofing & Site Work	Design Procurement
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	Construction

Appendix C – Construction Contracts: Number of Minority/Female Work-Hours by Trade (October 1, 2019-March 31, 2020)

Trade	Total Work-Hours	Minority Work-Hours	Minority Work-Hours Percentage	Female Work- Hours	Female Work-Hours Percentage
Asbestos Removal/Treatment	1,560	1,008	64.62%	0	0
Bricklayer/Mason	22,471	6,796	30.24%	0	0
Carpenter	19,277	6,648	34.49%	470	2.44%
Carpentry	16,753	2,380	14.21%	64	0.38%
Caulking & Waterproofing	939	818	87.11%	0	0
Concrete/Cement Finisher	84	38	45.24%	0	0
Concrete/Foundation/Footings/ Masonry Work	140	76	54.29%	0	0
Dockbuilder	1,796	193	10.73%	0	0
Electrician	56,247	12,444	22.12%	2,045	3.64%
Fireproofing Applications	896	488	54.46%	0	0
Flooring/Tile Installation	2,681	254	9.47%	0	0
Glazier	2,824	540	19.12%	0	0
HVACR	6,309	1,043	16.53%	469	7.43%
Insulation - All	2,495	347	13.91%	0	0
Insulator	4,494	856	19.05%	0	0
Iron Erector	401	8	2%	42	10.47%
Iron Worker	20,415	3,856	18.89%	0	0
Laborer	61,063	36,140	59.18%	1,228	2.01%
Laborer – Building	3,368	222	6.59%	0	0
Masonry/Bricklayer	60,828	20,308	33.39%	1,221	2.01%
On-site Supervision	1,051	0	0	0	0
Operating Engineer	8,194	880	10.74%	168	2.05%
Painter	127	100	78.74%	27	21.26%
Painting – General	3,697	728	19.69%	336	9.09%
Pipefitter	13,160	1,901	14.45%	0	0
Pipefitter Service	141	0	0	0	0
Plumber	34,213	4,370	12.77%	356	1.04%
Roofer	10,572	2,992	28.30%	0	0
Roofing – All	5,659	2,415	42.68%	0	0
Sheet Metal Mechanical	761	8	1.05%	22	2.89%
Sheet Metal Worker	19,063	6,017	31.58%	315	1.65%
Sheetrock Taper	56	56	100%	0	0
Sprinkler Fitter	5,585	1,568	28.08%	0	0
Surveyor	8	0	0	0	0
Tile Worker	24	0	0	0	0
Truck Driver	18	0	0	0	0
TOTALS	387,362	115,498	29.82%	6,763	1.75%

Appendix D - 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 (Formerly McGraw-Hill)	Philadelphia	\$324	-	\$380
Metropolitan Statistical Area (MSA)¹ (Reports Dated Oct. 2019 - Dec. 2019)	New York	\$599	\$904	\$307
School Planning & Management by Region 2 State Average ²	NY, NJ, PA Average	-	-	-
New York City School Construction Authority³ (Dated Sep. 2019 for Fiscal 2019)	New York City	\$792		
SDA Managed Projects⁴ (October 2019 - March 2020)	Statewide	\$307	-	\$369

The table represents a statistical cross-section of data from numerous sources with report dates ranging September 2019 - March 2020. Costs are at time of bid.

1 - The Data for the New York MSA are inclusive of New York City and its surrounding suburban counties including those north and east of New York City as well as counties in central and northern NJ.

2 - No Current reporting for Region 2 (for NJ, NY and PA only) as reported by School Planning & Management.

3 - Numbers reflect the New York City Mayor's Management Report Dated September 2019. Construction bid price for school capacity projects per square foot.

4 - Cost at Bid for 2 SDA District Projects (Plainfield - New Woodland ES and Perth Amboy - New HS). 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).

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 E - School Facilities Construction Bonds and Notes

New Jersey Schools Development Authority EDA School Facilities Construction Bonds and Notes State Fiscal Years 2001–2020					
Fiscal Year	Issue Date	Series	Restricted	Denomination	Principal Amount Issued
2001	04/02/01	A		\$5,000	\$ 500,000,000
<i>Subtotal</i>					\$ 500,000,000
2002	12/28/01	B	QZAB	\$5,000	\$ 8,600,000
<i>Subtotal</i>					\$ 8,600,000
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>					\$ 637,329,000
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>					\$ 1,550,000,000
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>					\$ 1,400,000,000
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>					\$ 1,425,000,000
2007	11/02/06	R		\$5,000	\$ 500,000,000
2007	11/02/06	S		\$5,000	\$ 100,000,000
<i>Subtotal</i>					\$ 600,000,000
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>					\$ 1,250,000,000
2009	01/29/09	Z		\$5,000	\$ 175,000,000
2009	06/18/09	A Notes		\$5,000	\$ 400,000,000
<i>Subtotal</i>					\$ 575,000,000
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>					\$ 703,025,000
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>					\$ 375,000,000
2014	05/06/14	RR		\$5,000	\$ 60,000,000
<i>Subtotal</i>					\$ 60,000,000
2015	10/17/14	UU		\$5,000	\$ 525,000,000
<i>Subtotal</i>					\$ 525,000,000
2016	08/31/15	WW		\$5,000	\$ 500,000,000
<i>Subtotal</i>					\$ 500,000,000
2017	12/08/16	AAA		\$5,000	\$ 342,850,000
<i>Subtotal</i>					\$ 342,850,000
2018	10/05/17	DDD		\$5,000	\$ 350,000,000
<i>Subtotal</i>					\$ 350,000,000
2019	11/28/18	EEE		\$5,000	\$ 350,000,000
<i>Subtotal</i>					\$ 350,000,000
2020	11/19/19	LLL		\$5,000	\$ 350,000,000
<i>Subtotal</i>					\$ 350,000,000
Grand Total					\$ 11,501,804,000

Appendix F - School Facilities Projects Approved by DOE

From October 1, 2019 through March 31, 2020, the New Jersey Department of Education issued approvals for five school facilities projects, approving initiation of three emergent projects as well as process approvals for two capital projects, all of which are being undertaken and funded by the SDA. None of these projects exceeded the Facilities Efficiency Standards (FES).

School Facilities Projects Approved by DOE				
October 1, 2019 – March 31, 2020				
	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	171	36	0	0%
SDA Districts	5	3	0	0%
RODs	166	33	0	0%

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

The DOE approved 33 “Other Capital” projects for SDA Districts. These are outside the SDA Managed funding process and not reflected in the table above.

The DOE approved 178 “Other Capital” projects for ROD’s. These projects are not reflected in the table above.

An “Other Capital” project is a project that is either not eligible or not seeking State funding support.