

BUILDING IMPROVED FACILITIES TO STRENGTHEN NEW JERSEY COMMUNITIES



FROM START TO FINISH



Biannual Report of the School Facilities Construction Program
July 2011
For the period October 1, 2010 through March 31, 2011

Mission Statement

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

Vision Statement

The NJSDA will be a resource and guide for consistency in sound school design and construction practices for districts across New Jersey, transparent in our efforts as a staunch steward of taxpayer funds.

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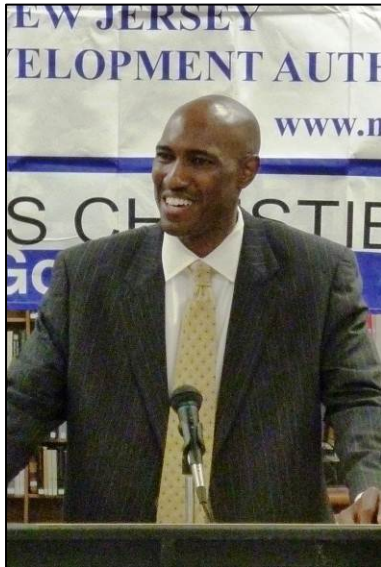
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Message from CEO Marc Larkins



After a full year as Chief Executive Officer of the Schools Development Authority, I can say with confidence that, under Governor Chris Christie's leadership, this agency has transformed into an entity that is worthy of the taxpayers' trust. I am proud of the Authority's streamlined organizational structure and new processes and procedures that will ensure efficiency and accountability like never before.

Changes instituted during my tenure have resulted in a reforecasted 2011 operating budget of \$39.7 million that is nearly 24 percent less than the 2010 original budget of \$52 million. With a leaner Authority structure in place, we are prepared to utilize the limited state resources we have to impact the greatest number of school facilities possible throughout the state.

The SDA's newly formed Special Projects Division and other SDA operating divisions are aggressively pursuing available funding – including cost recoveries and reimbursements – whenever warranted and possible. Recently, the SDA recovered more than \$1.3 million through several rebate programs. This included E-Rate, a federal program that makes discounts available to eligible schools and libraries for telecommunication services, Internet access and internal connection. In addition, SDA received utility rebates for the design and installation of a photovoltaic system on one of its projects. Every dollar the SDA receives through cost recovery or reimbursement is an additional dollar that we can spend on school construction.

During this reporting period, the Authority completed its Capital Plan Review – a significant undertaking that has resulted in a new way of doing business. In February 2011, Governor Christie announced support for the SDA's 2011 Capital Program and portfolio. This program included the advancement of ten projects in 2011 along with a move toward standardization on school construction projects and a promise to meet the state's facility needs in the most financially prudent way. The Board of Directors unanimously approved the new program in March 2011.

Since that time, the SDA has actively started advancing the 2011 portfolio. SDA personnel have already met with a number of SDA Districts to discuss their project needs along with the best approaches for meeting those needs. The SDA's new Site Visit

Program is underway, with staff visiting districts to investigate conditions and validate needs. We are determining standardization elements for SDA projects moving forward and also identifying and advancing alternative delivery methods for several projects in our portfolio. Meanwhile, the SDA is diligently working to complete active ongoing construction projects in SDA and Regular Operating Districts (RODs).

Ongoing projects in SDA Districts include more than 50 emergent projects in construction, both SDA-managed and those delegated to the district for management. Emergent projects include replacement of boilers, roof repairs, masonry repairs and window replacements to ensure New Jersey's students are learning in healthy environments. In addition, the SDA continues to impact hundreds of districts around the state through the execution of ROD grants. During the reporting period, the SDA fully executed 142 grants, representing a \$27.1 million state investment.

While the recent reforms have better positioned the Authority to deliver high quality projects in a fiscally responsible way, we recognize that we must remain flexible as an organization to be able to handle ever changing circumstances. We look forward to continuing our dialogue and partnership with the legislature as we confront continued challenges that lay ahead.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Marc Larkins', with a stylized flourish at the end.

Marc Larkins
Chief Executive Officer

Responsible Planning, Spending of Public Dollars: The 2011 Capital Program



In February 2011, Governor Chris Christie announced a statewide prioritization of SDA school construction projects to bring accountability to the spending of hundreds of millions of taxpayer dollars annually for school improvements and expansion. This new approach reflects a commitment to the efficient and proper use of public funds, an objective prioritization of statewide educational facilities needs and the advancement of sound design and construction principles. The Capital Program framework will allow the Authority to responsibly advance each project in the most efficient, cost-conscious manner.

The new program resulted from a comprehensive review that began in June of 2010 and was conducted over a six-month period by an internal working group comprised of SDA and State Department of Education (DOE) officials.

Reason for the Review

With CEO Marc Larkins' appointment to the SDA in March 2010, Governor Chris Christie mandated that a review of all SDA operations be conducted including the 2008 Capital Plan. The need for a statewide review had become clear as school districts requested or contemplated substitutions to approximately 15 percent of projects previously approved. Subsequent to that mandate, a June 2010 report issued by the New Jersey State Auditor in the Office of Legislative Services, found that the 2008 Capital Plan had two major deficiencies. The audit report objected to the Authority's inclusion of 27 projects in the 2008 plan that had been previously suspended due to insufficient funding without subjecting them to the same prioritization process as other proposed projects. The report also criticized the 2008 Plan's determination to provide each district with at least one project irrespective of its need. A lack of progress toward the implementation of the 2008 Capital Plan was also evident. For example, 25 projects were identified for a contemplated construction start within 18 months of the date of approval of the 2008 Capital Plan. However, only three of these projects actually entered the construction phase during that timeframe.

The Process

The framework for a statewide strategic review is formulated in the Authority's enabling legislation. P.L. 2007, c.137 provides that "(SDA) shall establish a Statewide strategic plan to be used in the sequencing of SDA district school facilities projects

based upon the projects' educational priority rankings and issues which impact the development authority's ability to complete the projects including, but not limited to, the construction schedule and other appropriate factors."

The SDA and DOE established a list of 110 projects for review. This included 50 projects from the 2008 Capital Plan that were not yet in construction, all projects identified by the districts as priorities and additional projects identified in the respective SDA Districts' Long Range Facilities Plans. This list of 110 projects represents needs throughout the state but does not represent the entirety of the need that exists in SDA Districts.

In addition to addressing the State Auditor's findings, the review strived to create objective prioritization criteria that reflect both current educational priorities and factors relating to the most efficient use of public funds. The SDA criteria rated all 110 projects using the same factors and considered elements such as total project cost, cost per student and project efficiencies. The DOE criteria rated projects for educational adequacy, general building conditions, overcrowding and educational efficiencies. Consistent with the State Auditor's direction, the review criteria were applied without consideration of factors such as the geographic location or size of a district. All projects were provided the same level of review.

Developing the 2011 Project Portfolio

In defining a portfolio of work for 2011, the SDA has implemented a strategic sequencing plan that advances projects from the Statewide prioritization list that are of high educational priority, demonstrate efficient construction factors, are poised to proceed to the next development stage, and are supportive of standardization.

It is important to note that, in developing the prioritization and sequencing plan, it was not intended that the DOE and SDA would work down the list in numerical order. The legislation establishing the school construction program, which requires periodic review of the SDA selection process, provides that an additional process must occur in order for SDA to develop a strategic plan for advancement of each project. Therefore, with the DOE and SDA criteria ratings representing the foundation of defined statewide needs, the review toward a strategic sequencing plan analyzed the potential for logistics and issues which impact project initiation and the SDA's ability to complete the projects.

This sequencing review considered elements including: whether the project is supportive of standardization, total project cost to complete, whether the project is poised to proceed to the next appropriate development stage and the project's interrelationship with the district's overall plan. Using this framework, the SDA

identified an initial portfolio of ten projects that were appropriate to advance in 2011.

The projects identified to advance into a model design procurement, pre-development or construction in 2011 are:

- o Bridgeton – Cherry Street Elementary School
- o Elizabeth – Academic High School
- o Long Branch – Catrambone Elementary School (formerly Elberon)
- o Jersey City – PS 20 Elementary School
- o Jersey City – Elementary School 3
- o New Brunswick – A. Chester Redshaw Elementary School
- o Newark – Oliver Street Elementary School
- o Paterson – Marshall & Hazel Elementary School
- o Paterson – PS Number 16 Elementary School
- o West New York – Harry L. Bain Elementary School

In identifying these ten projects for advancement, the SDA recognized that utilization of a form of standardization in school construction will allow for overall process efficiencies. The SDA looked to identify projects where standardization could impact the greatest number of students noting that the bulk of the portfolio represented elementary schools with approximately 700 students. Nine of the projects identified for advancement in 2011 meet this standardization goal and satisfy the other advancement criteria.

The Elizabeth Academic High School was selected for advancement in 2011 as it represents an efficient utilization of a very compact site in an urban environment with an efficient design. In addition, the classroom layouts may be utilized as a standard for future projects involving small learning community environments.

The strategic framework used to select the projects for advancement in 2011 supports the development of design and constructability standards that are recognized to ensure quality and consistency of systems and materials; ease of operations and maintenance; and appropriate and cost-effective design.

Educational needs not yet represented by projects that were identified to advance in 2011 will still be considered for later advancement. The SDA has continued discussions with all SDA Districts to identify the best method for meeting the facilities needs that exist while maintaining the most prudent use of state funding.

Identifying Alternate Delivery Opportunities

As the SDA moves forward with its Capital Program, we will continue to identify and pursue cost-effective alternatives to address the facility needs that exist for a project. While a school may have scored highly under both SDA and DOE criteria, it is possible that the previously identified project may not be the only or most efficient way to address the existing need. In these circumstances, the SDA will strive to identify alternative delivery methods. This may include approaches such as the use of the design/build method of delivery or renovation of an alternate building instead of building a new school. The consideration of alternate delivery will enable SDA to minimize costs on projects thereby allowing for the advancement of additional projects.

One example of alternate delivery is the opening of the Mabel G. Holmes School Number 5 Annex in Elizabeth. In January 2011, CEO Marc Larkins joined Elizabeth School district officials at the ribbon cutting of this school, which is an excellent example of SDA Districts working to identify their own alternative delivery methods to meet their facility needs. SDA looks forward to a continued partnership with Elizabeth and other districts on this initiative.



Initiating a Site Visit Program

For the first time, SDA has initiated a site visit program to investigate facility conditions and validate needs for potential Capital Program projects. The reviews are being done based on information received from the districts, information from DOE, and SDA knowledge of certain conditions. Moving forward, in order to ensure the most prudent use of state dollars, it is imperative in certain instances for the SDA to visit SDA Districts to investigate their facilities and to determine if there are any opportunities for alternative delivery methods to meet their facility needs.

Promoting Standardization – A New Way of Building Schools in New Jersey

As announced by Governor Christie in February 2011, the SDA will employ a strategic phased approach to standardization for the delivery of school construction projects in the future. Standardization of design provides opportunities for additional cost efficiencies on school construction projects. When the review began, the SDA had approximately \$2.26 Billion remaining for projects in the SDA Districts. The overriding factor to determine the best approach for moving forward with an effective New Jersey school construction program is – how do we impact as many facilities as we can in keeping with our limited resources?

Adopting standardized design elements in specific aspects of school construction projects – cafeterias, gymnasiums, science labs, classrooms and media centers – allows for predictability of approval, minimization of change orders and the minimization of errors. All of this can lead to significant savings and the potential to complete additional projects with the dollars we have available to us.

Moving forward, the SDA will pursue design standardization. This may include utilization of several approaches including standards for design elements, standards for systems and materials, a kit-of-parts approach and full design replication. Utilization of a form of standardization will allow for predictability throughout the approval process, reductions in review time, minimization of change orders and the minimization of errors, better adherence to project schedules and overall process efficiencies.

The SDA understands that certain approaches to standardization can happen sooner than others. Currently, the SDA is working with our sister state agencies on the development of programmatic standards for all projects. In addition, the SDA is working toward the procurement of a “kit of parts” prototype design in 2011. The two projects that are in their final review stages for advancement into construction in 2011 are representative of standardization principles.

Improving New Jersey's School Facilities



Addressing Emergent Conditions At New Jersey's Neediest Schools

Camden High School had a cooling tower that was well past its life expectancy. In January 2011, the SDA completed an emergent project replacing this cooling tower and allowing for the circulation of cool air throughout the school. This \$125,000 project benefitted the students of Camden High School while providing work for employees of Middlesex, New Jersey contractor, Ingrassia Construction.

Meanwhile, in the northern part of the state SDA completed an emergent project in October 2010 at the Hart Middle School Complex in East Orange. The much needed improvements there included roof, exterior masonry and window repairs at the complex, which has three facilities – the John Costley, Patrick Healey and Sojourner Truth middle schools. One thousand three hundred forty nine (1,349) students in sixth through eighth grades attend these schools. Work on this \$213,000 project was performed by Norwood, New Jersey contractor Catcord Construction Company, Inc.

Furthering Governor Christie's commitment to ensuring that students attend safe and healthy schools, the SDA has continued to advance emergent projects in SDA Districts. Emergent projects are those deemed necessary due to potential health and safety issues.

As of March 31, 2011 the SDA's emergent project reserve that was established in 2008 was down to \$13 million. At its March 2, 2011 meeting, the SDA Board of Directors approved a plan as part of the 2011 Capital Program to set aside an additional \$100 million in funding for the emergent project reserve. The SDA is working with the DOE to develop a new process to identify and prioritize potential emergent conditions to be addressed using this funding.

As of March 31, 2011 there were more than 50 emergent projects in construction, both SDA-managed and those delegated to the district for management.

Hard at Work on Active Projects

While the SDA begins the work to advance the 2011 Capital Program Portfolio, work on active school construction projects around the state continues. At the end of the reporting period, the SDA had six active construction projects in SDA Districts and one active construction project in a ROD District. This represents a state investment of approximately \$313 million to provide much-needed facilities while providing economic opportunities for New Jersey's construction workers. In addition, the SDA began demolition of an SDA-owned property in Passaic City, fulfilling SDA's commitment to ensuring the community's health and public safety by eliminating the vacant structure.

The SDA anticipates that three of these active projects will achieve September student occupancy, with one additional project achieving January occupancy. The demolition of the Passaic City site is anticipated for completion in September.



A New Beginning

Students at Community Middle School in Egg Harbor City began 2011 in their new school building. The 364 students in grades four through eight walked into a new 61,954 square-foot middle school that features 15 general classrooms, one full science lab, three special education classrooms, a cafetorium, separate music and art rooms, a technology lab, a gymnasium, a library/media center and a multipurpose playfield. The new school replaces the Fanny D. Rittenberg Middle School that was originally built in 1923.



At a ribbon cutting ceremony held in January, Egg Harbor City Superintendent John Gilly said, “The children will benefit from a 21st century educational facility that has been sorely needed for years in Egg Harbor City. This school will complement and enhance the District’s vision to continue to develop a cutting-edge educational program for its students.”

Overall Accomplishments

From its inception through March 2011, the state’s school construction program has completed 623 projects in SDA Districts: 61 new schools, 68 extensive additions, renovations and/or rehabilitations and other major facilities projects, and more than 500 other projects. It has also completed 26 projects in Regular Operating Districts: eight new schools and 18 extensive additions, renovations and/or rehabilitations.

Easing Taxpayers Burden Through State Grants

Governor Christie is committed to providing the state's children with safe, modern and efficient schools while easing the local taxpayers' burden through the SDA's ROD Grant program. The SDA's grant program funds at least 40 percent of eligible costs for projects in the RODs, addressing health and safety issues, student overcrowding and other critical needs.

During the reporting period, the SDA fully executed 142 grants, representing a \$27.1 million state investment, upon review and receipt of school district documentation. Since the resumption of the ROD Grant program in May 2010 through March 31, 2011, the SDA has executed a total of 467 grants in 165 school districts throughout the state.

The Somerdale Borough School District received a \$175,000 state grant for stormwater and mechanical system improvements in November 2010. In December 2010, the SDA executed eight grants for projects at four Ewing Township schools. This state investment of \$950,000 will allow for flooring replacements and auditorium upgrades. The Woodbridge School District received nearly \$9 million in February 2011 for roof replacements at 22 district schools.

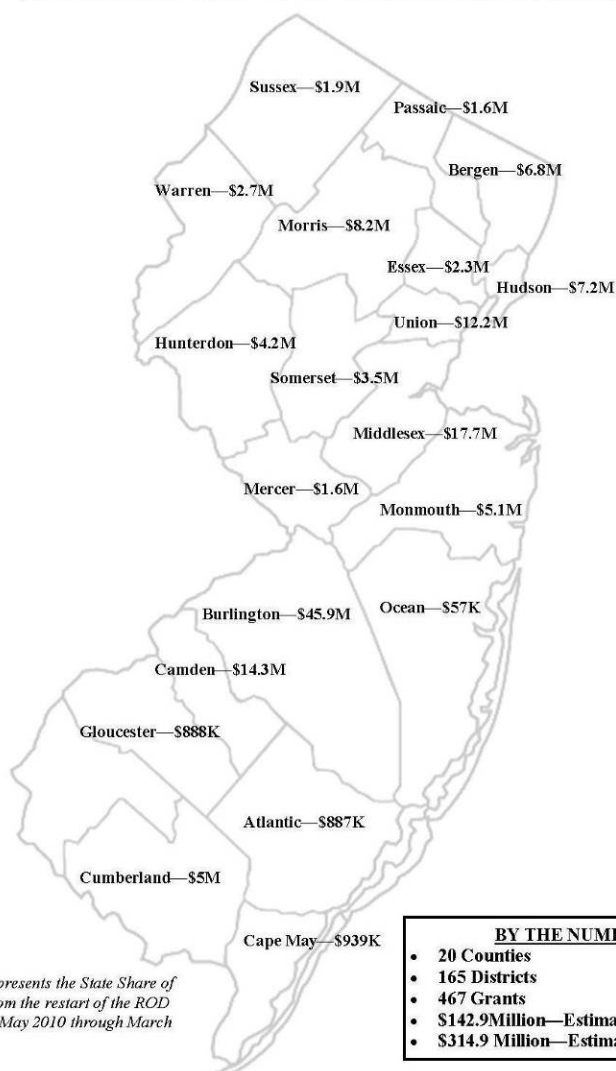
These are just a few examples of the hundreds of improvements that are made possible through state support of projects that ensure adequate learning environments for New Jersey students.



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

Regular Operating District Grant Funds in Your Community



Ensuring Fiscal Accountability and Responsibility

Financial Overview

In total, the Legislature has authorized \$12.5 billion in funding for the SDA (\$8.9 billion for SDA Districts, \$3.6 billion for RODs and vocational schools). Since the program's inception, the amount of debt financing issued to date to finance the program is \$8.649 billion. No "New Money" school facilities construction bonds were issued during the reporting period.

The Long Range Facilities Plans (LRFPs) filed by the SDA Districts and RODs would require a financial commitment significantly exceeding that which the New Jersey Legislature has previously authorized (\$12.5 billion) to appropriately address all of the school construction projects needed across the state.

Continued Assessments and Audits

During the fourth quarter of 2010, KPMG LLP completed three audits, the final work on a five-year contract to provide internal auditing services to the SDA. The KPMG contract, executed in 2005, was for an initial term of three years with two additional option years.

The SDA's newly created Division of Program Assessment and Development is responsible for assessing and auditing Authority processes, and ensuring SDA financial, operational and programmatic integrity, accountability, efficiency and effectiveness. During the reporting period, this division completed eight audits and assessments in a variety of areas.

Closeout of Completed Projects

The SDA's Special Projects Division has been diligent in its efforts to reengineer an initiative critical to SDA's core business. SDA recently adopted a more user-friendly and streamlined approach for the closeout of completed projects. The SDA's reengineered closeout process enables SDA to remove liability and carrying costs as soon as possible after the completion of a project. It efficiently utilizes the SDA's Information Technology management systems to track and record closeout deliverables and provide for timely transmittal to the Districts. Where full closeout is not yet possible due to open contracts, the SDA is transferring the deeds for the project site in the interim. Monthly, the Special Projects division updates the Board of Directors on the status of project closeouts.

Pursuing Available Funding

With a continued focus on protecting the state's limited resources, the SDA's Special Projects Division remains committed to pursuing available funding – including cost

recoveries and reimbursements to which the NJSDA is legally entitled – whenever warranted and possible.

Following last year's recovery of \$6.5 million for the cost to remediate a property in connection with a Camden school project, the Special Projects Division continues to pursue or finalize potential claims on 25 matters related to environmental remediations. This includes seven cases that are currently in litigation through the Division of Law, on behalf of the SDA, as well as an additional three cases in pre-litigation review.

The SDA is also in pre-litigation settlement negotiations on five cost recovery cases related to errors and omissions that represent approximately \$7 million. There are an additional eight cases that are poised to advance into pre-litigation negotiations sometime in the near future. Beyond this, the SDA will continue to pursue additional cost recovery opportunities as they arise.

The final component of our efforts to pursue available funding includes several reimbursements received through different rebate programs. This included \$964,568 through E-Rate, a federal government reimbursement program for internal wiring and connections work needed to provide internet access at New Brunswick High School. SDA also recently received 2 rebates related to the Neptune Community School including: \$94,287 through New Jersey's Clean Energy Program for performance lighting, geothermal heat pumps and premium motors; and \$245,892 for the purchase and installation of solar panels.

Every dollar the SDA receives through litigation, settlement, or reimbursement is additional money made available for school construction projects.

SDA's Commitment to Small Businesses Continues

Launch of the 2011 SMWBE Contractor Training Program

In its continued goal to support the growth and success of small, minority-owned and women-owned businesses in New Jersey, the SDA has launched a 2011 SMWBE Contractor Training Program. Through this program, the SDA expects to aid in the growth and sustainability of New Jersey's small, minority and women-owned business enterprises by providing quality technical and business training that will enable participants to bid on construction contracts with the SDA. Participants will benefit from SDA instructors, resources, and guidance to improve their business practices and gain insight into working with the NJSDA. Firms selected to participate in the program will learn from SDA experts in the areas of finance, estimating, bonding, project management, bidding and marketing.



Exceeding State Requirements for Small Business Participation

SDA's commitment to small businesses goes well beyond training. The SDA has repeatedly exceeded the state requirement that at least 25 percent of all agency contracts be awarded to SBEs. For the reporting period, the SDA once again surpassed this requirement with SBE participation at 65 percent, or \$5.3 million of the SDA's \$8.1 million in contracts awarded.

SDA's Subcontractor Ombudsman Works to Resolve Complaints

The SDA's Subcontractor Ombudsman, created in 2009, is dedicated to mediating complaints from subcontractors who have worked on SDA projects. During the reporting period the Subcontractor Ombudsman received inquiries from nine subcontractors. Upon receiving the complaints, the Ombudsman investigates their concerns and continues an open dialogue in an effort to assist with resolving the open issues.

Public Members

Edward Walsh

SDA Chairman

Managing Principal, The Walsh Company, L.L.C.

Michael Capelli

Executive Secretary-Treasurer, NJ Regional Council of Carpenters

Kevin Egan

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

Karim A. Hutson

Managing Partner and Founder, Genesis Companies

Lester Lewis-Powder

Executive Director, Let's Celebrate, Inc.

Michael Maloney

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Appendix

A - Small Business Enterprise (SBE) Contracts Awarded

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

C – Cost of Construction per Square Foot Comparison to MSA

D - March 2011 Capital Program

Note: This report does not include information on the number of projects approved by DOE and those undertaken by SDA as there were no projects approved by DOE during the reporting period.

Appendix A – Small Business Enterprise (SBE) Contracts Awarded

In December 2010, the Governor signed legislation that directs the SDA to biannually compile information on the number of school construction contracts entered into between the Authority and minority and women contractors during the reporting period. This information must include the total value of the contracts and the percentage that those contracts represent of all school facilities project construction contracts entered into by the Authority. The SDA has provided this information in its Biannual Reports since June 2008 and will continue to do so as required.

SDA Contract Awards to Small Business Enterprises (October 1, 2010 – March 31, 2011)	
Total SDA Construction Contracts	\$ 8,145,555.88
Total SBE Contracts	\$ 5,310,155.88
Percentage of SDA Contracts Awarded to SBEs	65.19%

SDA Contract Awards to Minority-Owned Business Enterprises (October 1, 2010 – March 31, 2011)		
Total SDA Construction Contracts	\$ 8,145,555.88	
Total Contracts to Minority-owned Business Enterprises	\$ 0	0%

SDA Contract Awards to Small Women-Owned Business Enterprises (October 1, 2010 – March 31, 2011)	
Total SDA Construction Contracts	\$ 8,145,555.88
Total SWBE Contracts	\$ 258,833
Percentage of SDA Contracts Awarded to SWBE	3.18%

Note: There were no Small Minority Women-owned Business Enterprises (SMWBE) awards during the reporting period.

Of nine contracts awarded, two were awarded to women-owned business enterprises, both of which were also SBEs.

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

Construction Contracts: Number of Minority/Female Work-Hours by Trade (October 1, 2010 – March 31, 2011)					
Trade	Total Work-Hours	Minority Work-Hours	Minority Percent Work-Hours	Female Work-Hours	Female Percent Work-Hours
Asbestos	4,660	2,644	56.74%	562	12.06%
Bricklayer or Mason	9,670	4,365	45.14%	142	1.47%
Carpenter	27,297	1,882	6.89%	0	0%
Caulker	24	0	0%	0	0%
Concrete Finisher	80	40	50.00%	0	0%
Driller	187	187	100.00%	0	0%
Electrician	27,911	6,834	24.48%	52	0.19%
Elevator Mechanical	112	0	0%	0	0%
Glazier	933	88	9.43%	0	0%
HVAC Mechanic	937	224	23.91%	0	0%
Insulator	261	30	11.49%	0	0%
Ironworker	3,898	127	3.26%	0	0%
Laborer	24,434	14,576	62.20%	221	0.94%
Operating Engineer	3,665	36	0.98%	0	0%
Other	35	5	14.29%	0	0%
Painter	1,594	181	11.36%	0	0%
Plumber	5,665	230	4.06%	0	0%
Roofer	12,433	8,041	64.67%	197	1.58%
Sheet Metal Worker	5,692	343	6.03%	0	0%
Sprinkler Fitter	1,557	0	0%	0	0%
Steam Fitter	679	0	0%	0	0%
Tiler	3,146	0	0%	0	0%
TOTALS	133,870	39,833	29.75%	1,174	0.88%

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

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

Metropolitan Statistical Area Comparison Statistical Brief: Cost Per Square Foot (at time of bid)				
<i>This statistical cross-section of data is compiled from various sources. Report dates range from July 2009 to March 2011.</i>				
Source	Area	Elementary School	Middle School	High School
McGraw-Hill Metropolitan Statistical Area (October 2010 – March 2011)	Philadelphia	-	-	-
	New York	\$503	\$556	\$317
School Planning & Management by State Average (January – December 2010)	N.Y., N.J., Pa. Average	\$310	\$250	\$262
New York City School Construction Authority (July 2009 – June 2010)	New York City	\$495*	\$457*	\$509*
SDA-Managed Projects (4th and 1st Quarter Actual)	Statewide	-	-	-
<i>The table represents a statistical cross-section of data from numerous sources with report dates ranging from July 2009 to March 2011. Costs are at time of bid.</i> <i>*Numbers reflect the New York City Mayor's Management Report September 2010 costs at completion excluding budgeted Change Order Contingency of 10% percent.</i>				

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

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

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

Appendix D – 2011 Capital Program Presentation and Portfolio



Implementation of a statewide strategic sequencing plan advances projects from the Statewide Prioritization that are:

- ✓ Of high educational priority
- ✓ Of efficient construction factors
- ✓ Poised to proceed to next development stage
- ✓ In final validation stages to proceed
- ✓ Supportive of Standardization



Utilizing this framework identifies the following Portfolio for 2011 advancement:

- 10 Projects to advance into a Model Design Procurement, Pre-Development or Construction in 2011 to address educational priority needs in Districts
 - Elizabeth - Academic Magnet High School
 - Long Branch - Catrambone Elementary School (Elberon)
 - Bridgeton – Cherry Street Elementary School
 - Jersey City – PS 20 Elementary School
 - Jersey City – Elementary School 3
 - New Brunswick – A. Chester Redshaw Elementary School
 - Newark – Oliver Street Elementary School
 - Paterson – Marshall & Hazel Elementary School
 - Paterson – PS Number 16 Elementary School
 - West New York – Harry L. Bain Elementary School
- Identification and Advancement of Alternative Delivery Methods
- Site Visit Program to Investigate Conditions & Validate Needs
- Completion of the current Emergent Projects and identification of future projects (allocation of \$100 million to fund future emergent projects)
- Complete Active Construction Projects in SDA Districts
 - Camden - Morgan Village M.S.
 - Elizabeth - Number 21, Victor Mravlag E.S.
 - Passaic City - New ES at Henry St.
 - Pemberton Township - New Early Childhood Center
 - Union City - New ES - Columbus Replacement
 - West New York - Number 3 E.S.
- Complete SDA managed projects in the Regular Operating Districts
 - Egg Harbor Twp. - Egg Harbor Twp. H.S.
- Administer the Grants Program for Regular Operating Districts (1,155 grants)

SDA Capital Program Report

SDA Capital Program

Section 1: The Process

Project Identification & Evaluative Criteria

WHY REVIEW NOW?

- Districts requests for substitutions – impacting 15% of 2008 Capital Plan projects
- The Office of Legislative Services State Auditor findings in June 2010 recommending that the SDA review the 2008 Capital Plan to evaluate the list of 27 projects not previously ranked and remove the requirement that each district receive at least one project.
- Statutory Requirement of periodic review
- Inefficient spending and lack of progress toward implementation of 2008 Capital Plan

Framework for the Review

- The formulation of a statewide strategic capital plan is rooted in legislation

P.L.2007, c.137 (C.52:18A-235 et al. “(SDA) shall establish a Statewide strategic plan to be used in the sequencing of SDA district school facilities projects based upon the projects’ educational priority rankings and issues which impact the development authority’s ability to complete the projects including, but not limited to, the construction schedule and other appropriate factors.”

Statutory Principles:

- *Statewide educational priority ranking*
- *Statewide strategic plan*
- *Sequencing of projects*
- *Revision of plan at least once every five years*

THE PROCESS

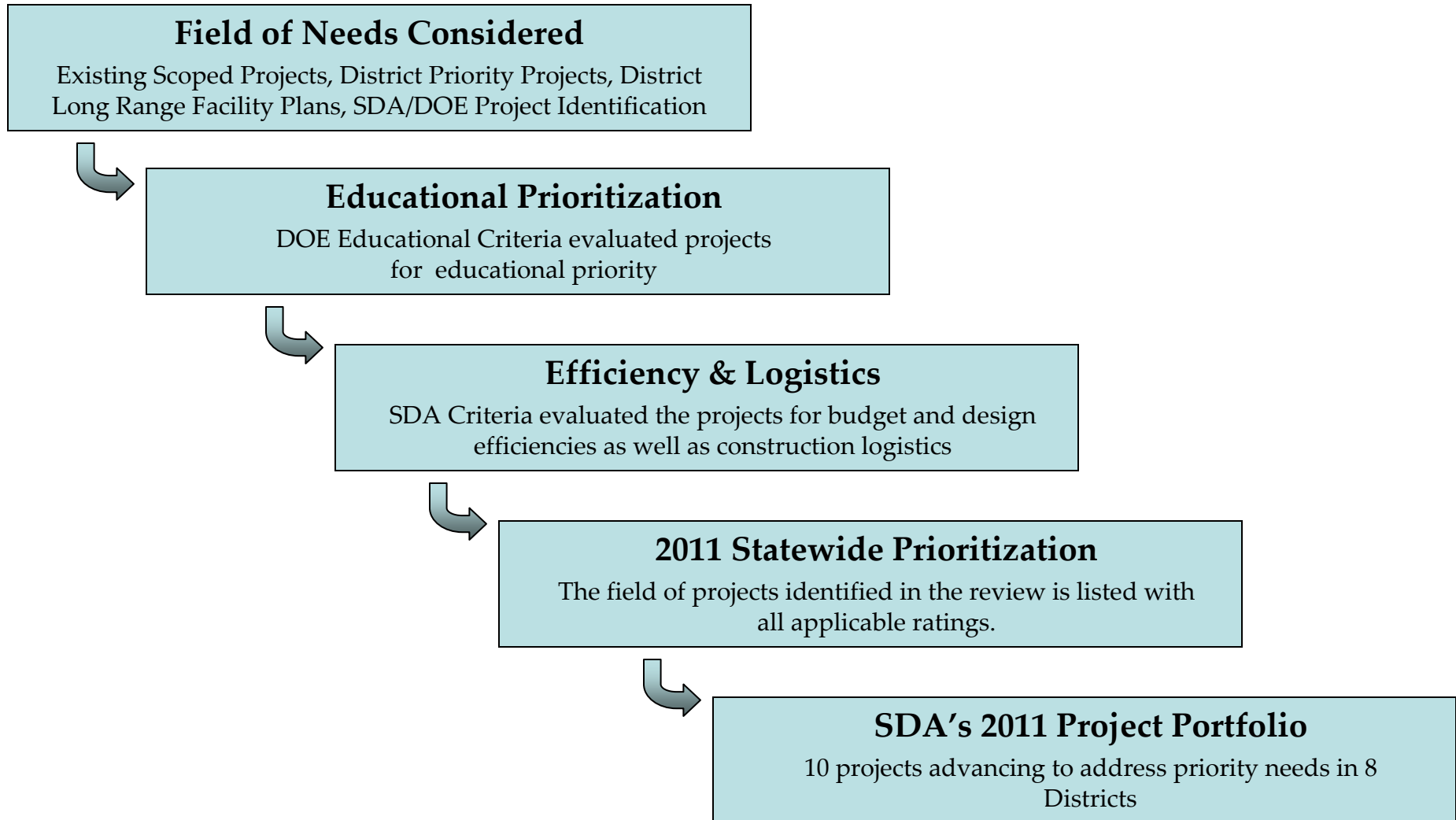
In June 2010 the Capital Plan Review Team was formed via an Interagency Working Group with the charge to conduct a thorough review of the 2008 Capital Plan and present recommendations for a reformulated program. Staff members from the Department of Education (DOE) and the Schools Development Authority (SDA) worked together to:

- Create prioritization criteria that address the State Auditor's findings and reflect both current educational priorities and factors relating to the most efficient use of public funds
- Communicate with the Districts and cultivate information on facilities conditions
- Analyze and assess projects, as appropriate, in the Districts Long Range Facilities Plan (LRFP)

Potential projects were scored in accordance with the DOE educational rating criteria and then evaluated for efficient construction and cost factors. These factors, combined with the districts' identified priority rankings make up the 2011 Statewide Prioritization.

SDA Capital Program

The Process



2008 : 2011

A Side-by-Side of the Rating Criteria

2008 Criteria

2011 Criteria

DOE	Ranking Category (25 Points Total)	% of Points		Ranking Category (18 Points Total)	% of Points
	District-wide Overcrowding (5pts)	20%		District-wide Overcrowding (6pts)	33%
	Preschool (4pts)	16%		FES Compliance (5pts)	28%
	Temporary & Annex Buildings (4pts)	16%		General Building Conditions (4pts)	22%
	FES Compliance (4pts)	16%		Efficiency (3pts)	17%
	Building Age (4pts)	16%		Range of points awarded: 2-16	
	Misc. Building Considerations (2pts)	8%			
	LRFP Completion (2pts)	8%			

SDA	Ranking Category No Points Awarded; The evaluation was based on programmatic/policy considerations		Ranking Category (10 Points Total)	
	Complete the 27 previously deferred projects (not subjected to DOE Evaluation)	N/A	Efficient Response to Educational Need (3pts)	30%
	Complete district identified priority projects with investments exceeding \$3M.	N/A	Efficient Use of Public Funds (3pts)	30%
	All districts to have at least one project.	N/A	Construction Schedule Factors (4pts)	40%
	No district to have more than four projects unless sunk costs of additional projects exceed \$3M.	N/A	Range of points awarded: 0-8.5	

SDA Capital Program

Section 2: Results of the Review & Reassessment

Authorized SDA District Funding *(dollars in billions)*

As of October 31, 2010

Authorized Funding for SDA Districts:	\$ 9.006
SDA Related Expenses to date:	(\$ 5.744)
Ongoing SDA Funding Obligations & Reserves	(\$ 0.996)*
Funding Remaining for New Projects	\$ 2.266

- The funding calculations for remaining funding is cumulative based on all funding allocations for SDA district construction since program inception and exclusive of funding for the Regular Operating Districts.
- **Includes costs to complete active construction projects and ongoing obligations including administrative expenses for a period of 5 years.*

SDA 2011 Statewide Prioritization (1 / 4)

District	School Name	School Type	Grade Alignment	FES Capacity	Project Type	District Rank	DOE Inter District Ed. Priority Score	SDA Criteria Points Total
Asbury Park	Asbury Park HS	HS	9-12	520	Addition/Renovation	2	6	4
Asbury Park	Bangs Avenue E.S. (Barack Obama)	ES	PK-5	521	New Construction	1	2	6
Bridgeton	Cherry Street E.S.	ES	K-8	591	New Construction	1	13	7.5
Bridgeton	GO Foster ECC	ECC	PK	420	Addition/Renovation	2	11	4.5
Bridgeton	Indian Avenue ES	ES	K-8	591	New Construction	3	11	5
Bridgeton	Broad Street ES	ES	K-8	934	Addition/Renovation	4	10	5
Bridgeton	Buckshutem Road ES	ES	K-8	537	Addition/Renovation	LRFP	6	4.5
Burlington City	Boudinot Area ECC	ECC	PK	180	New Construction	1	3	7
Burlington City	Captain James Lawrence	ES	K-2	175	Addition/Renovation	3	2	4
Burlington City	Samuel Smith	ES	PK-2	268	Addition/Renovation	2	1	5
Camden	Lanning Square E.S.	ES	PK-8	615	New Construction	1	5	6.5
Camden	Camden H.S.	HS	9-12	1,244	New Construction	2	4	4
Camden	Washington ES Replacement School	ES	PK-8	615	New Construction	4	4	2
Camden	Pyne Poynt Family School	ES	PK-8	615	Addition/Renovation	3	3	6
East Orange	East Orange Campus HS	HS	10-12	1,665	Addition/Renovation	LRFP	5	2
East Orange	George Washington Carver	ES	PK-5	541	New Construction	1	5	6
East Orange	Johnnie Cochran ES	ES	PK-5	466	Addition/Renovation	LRFP	2	4.5
Elizabeth	Academic Magnet HS	HS	9-12	1,091	New Construction	1	14	7
Elizabeth	PS 32	ES	PK-8	710	New Construction	LRFP	12	2
Elizabeth	New PS 22 William F Halloran	ES	PK-8	725	New Construction	LRFP	10	3.5
Elizabeth	PS 18 Morris	ES	PK-8	705	New Construction	LRFP	10	3.5
Elizabeth	PS 19 Wilson	ES	PK-8	727	New Construction	LRFP	9	3.5
Elizabeth	Visual/Performing Arts HS	HS	9-12	1,071	New Construction	LRFP	9	1
Elizabeth	PS 12 (Elmora)	ES	PK-8	705	New Construction	LRFP	7	3.5
Elizabeth	PS 6 L'ouverture /Lafayette	ES	PK-8	742	Addition/Renovation	LRFP	6	4.5
Elizabeth	Vocational HS	HS	9-12	900	New Construction	LRFP	4	1.5
Garfield	Garfield HS	HS	9-12	1,333	Addition/Renovation	3	11	2
Garfield	James Madison School #10	ES	K-5	275	New Construction	1	11	7.5

Note: LRFP identifies projects selected from the District Long Range Facilities Plan.

SDA 2011 Statewide Prioritization (2 / 4)

District	School Name	School Type	Grade Alignment	FES Capacity	Project Type	District Rank	DOE Inter District Ed. Priority Score	SDA Criteria Points Total
Garfield	Woodrow Wilson Replacement School No. 5	ES	K-5	282	New Construction	2	9	4.5
Garfield	Abraham Lincoln	ES	K-5	294	New Construction	LRFP	6	4
Gloucester City	Middle School - New	MS	4-8	811	New Construction	1	8	3.5
Gloucester City	Cold Springs	ES	PK-3	1,067	Addition/Renovation	LRFP	3	4
Harrison	HS conversion to MS	MS	5-8	622	Addition/Renovation	1	8	6
Harrison	Harrison Intermediate	ES	4-5	305	New Construction	2	5	4.5
Hoboken	Thomas G. Connors	ES	PK-4	351	Addition/Renovation	1	10	4
Hoboken	Joseph Brandt	ES	PK-8	450	Addition/Renovation	2	9	4.5
Irvington	Irvington HS	HS	9-12	1,512	Addition/Renovation	2	5	2.5
Irvington	Madison Avenue ES	ES	PK-5	581	Addition/Renovation	1	5	5.5
Jersey City	ECC 13	ECC	PK	324	New Construction	2	14	5
Jersey City	ECC 14	ECC	PK	324	New Construction	3	14	5.5
Jersey City	ES 3/ECC 03	ES	PK-5	814	New Construction	4	12	4.5
Jersey City	Dickinson 9th Grade Academy	HS	9	653	New Construction	LRFP	10	2
Jersey City	P.S. 20	ES	K-5	628	New Construction	1	7	4
Jersey City	PS 24 Charles Watters	ES	K-5	716	Addition/Renovation	LRFP	7	4.5
Jersey City	PS 29	ES	K-5	350	New Construction	LRFP	6	2.5
Jersey City	PS 31	ES	K-5	350	Addition/Renovation	LRFP	6	5
Jersey City	PS 33	ES	K-5	350	New Construction	LRFP	6	2.5
Keansburg	New ECC PK-2 (Caruso)	ES	PK-2	813	New Construction	2	15	7.5
Keansburg	Lorraine Place ES	ES	3-5	424	New Construction	1	11	6.5
Keansburg	Keansburg HS	HS	9-12	538	Addition/Renovation	LRFP	2	3.5
Long Branch	George L. Catrambone ES (Elberon)	ES	PK-5	817	New Construction	1	11	8.5
Long Branch	Lenna Conrow	ES	PK-5	890	Addition/Renovation	LRFP	4	4
Millville	New high school	HS	9-12	2,028	New Construction	1	12	1.5
Millville	Bacon	ES	K-5	494	New Construction	LRFP	4	3
New Brunswick	A. Chester Redshaw E.S.	ES	1-5	670	New Construction	1	15	7
New Brunswick	K Center	Primary	PK-K	331	New Construction	2	12	3

Note: LRFP identifies projects selected from the District Long Range Facilities Plan.

NJSDA Capital Program Report

Section 2 : Results

Prepared by the New Jersey Schools Development Authority

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SDA 2011 Statewide Prioritization (3 / 4)

District	School Name	School Type	Grade Alignment	FES Capacity	Project Type	District Rank	DOE Inter District Ed. Priority Score	SDA Criteria Points Total
New Brunswick	Paul Robeson Community E.S.	ES	1-5	599	Addition/Renovation	3	11	7.5
New Brunswick	Lincoln Elementary	ES	1-5	678	New Construction	4	9	4
New Brunswick	K Center 2	ECC	K	181	New Construction	LRFP	5	3.5
Newark	South Street	ES	PK-2	502	New Construction	2	13	4
Newark	Oliver Street	ES	3-8	868	New Construction	1	11	6
Newark	Ridge Street	ES	PK-4	600	Addition/Renovation	6	8	5.5
Newark	West Side	HS	9-12	1,479	New Construction	3	8	3
Newark	Branch Brook	ES	PK-8	436	New Construction	7	7	2.5
Newark	Harold Wilson	ES	PK-8	825	New Construction	5	7	3.5
Orange	Orange HS	HS	9-12	1,048	Addition/Renovation	LRFP	13	2.5
Orange	Cleveland Street ES	ES	PK-8	492	Addition/Renovation	1	6	4
Passaic	Dayton Avenue MS	MS	6-8	1,091	New Construction	3	15	4.5
Passaic	New ECC & Board Offices @ Leonard Pl.(Henry St)	ECC	PK	294	New Construction	4	15	5.5
Passaic	New ECC @ Dayton Avenue Site	Primary	PK-K	256	New Construction	2	14	4.5
Passaic	Dayton Avenue ES	ES	1-5	787	New Construction	1	13	4
Passaic	Passaic HS	HS	9-12	3,371	New Construction	LRFP	10	2
Passaic	Thomas Jefferson (PS 1)	ES	PK-5	683	Addition/Renovation	LRFP	8	4.5
Passaic	Roosevelt (PS 10)	ES	PK-5	709	New Construction	LRFP	7	4
Passaic	Lincoln Middle School	MS	6-8	1,065	Addition/Renovation	LRFP	6	4
Paterson	New ES at Marshall & Hazel	ES	K-8	650	New Construction	1	14	7
Paterson	Number 25 E.S.	ES	K-8	703	Addition/Renovation	3	14	6
Paterson	PS # 16 ES	ES	PK-8	651	New Construction	2	11	3.5
Paterson	#3 ES	ES	PK-8	651	New Construction	4	10	3
Paterson	PS 20	ES	PK-8	584	Addition/Renovation	LRFP	10	5
Paterson	New ES at Don Bosco	ES	PK-8	630	New Construction	LRFP	9	3
Paterson	New Engineering/Technology HS	HS	9-12	889	New Construction	5	7	1.5
Paterson	PS 6A	ES	PK-5	705	New Construction	LRFP	7	2
Paterson	New Health/Medical Science HS (HARP)	HS	9-12	564	New Construction	LRFP	5	2

Note: LRFP identifies projects selected from the District Long Range Facilities Plan.

NJSDA Capital Program Report

Section 2 : Results

Prepared by the New Jersey Schools Development Authority

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SDA 2011 Statewide Prioritization (4 / 4)

District	School Name	School Type	Grade Alignment	FES Capacity	Project Type	District Rank	DOE Inter District Ed. Priority Score	SDA Criteria Points Total
Pemberton Twp.	Addition/Renovation at Denbo	ES	PK-5	728	Addition/Renovation	1	6	6
Pemberton Twp.	Emmons	ES	K-5	325	Addition/Renovation	LRFP	5	5
Perth Amboy	High School	HS	9	2,400	Addition/Renovation	1	15	5
Perth Amboy	New Middle School	MS	6-8	1,106	Addition/Renovation	LRFP	14	1.5
Perth Amboy	Seaman Avenue	ES	K-5	707	New Construction	2	14	3.5
Phillipsburg	New Phillipsburg HS	HS	9-12	1,846	New Construction	1	16	6.5
Phillipsburg	Andover-Morris	ES	1-2	176	Addition/Renovation	LRFP	4	5.5
Plainfield	Hubbard	ES	PK-8	549	Addition/Renovation	LRFP	5	4.5
Plainfield	Cook E.S.	ES	K-8	399	Addition/Renovation	1	4	6.5
Pleasantville	New ECC	Primary	PK-K	858	New Construction	1	9	3.5
Pleasantville	North Main	ES	1-5	187	New Construction	LRFP	1	3
Pleasantville	Decatur Alternative HS	TBD	TBD	TBD	TBD	2	0	0
Salem City	Middle School	MS	4-8	361	New Construction	2	6	4
Salem City	John Fenwick ES	ES	PK-4	610	New Construction	1	4	5.5
Trenton	New Early Childhood Center	ECC	PK	294	New Construction	1	8	8
Trenton	Roebing School	ES	PK-8	1,183	New Construction	2	6	3
Trenton	Trenton Central H.S.	HS	9-12	1,843	New Construction	3	4	3.5
Union City	Jefferson	ES	K-5	717	New Construction	LRFP	14	2.5
Union City	Gilmore	ES	K-5	503	New Construction	LRFP	10	3.5
Union City	Robert Waters	ES	K-5	515	Addition/Renovation	LRFP	9	4.5
Union City	Union Hill MS	MS	6-9	624	Addition/Renovation	1	6	4.5
Vineland	Landis MS	MS	6-8	643	Addition/Renovation	LRFP	5	4.5
Vineland	Vineland Middle School #2	MS	6-8	558	New Construction	1	7	6.5
West New York	Memorial H.S.	HS	9-12	1,859	Addition/Renovation	1	16	6
West New York	Harry L. Bain ES (PS 6)	ES	PK-6	736	New Construction	2	7	4.5
West New York	PS 5	ES	PK-5	677	New Construction	3	6	4

Note: LRFP identifies projects selected from the District Long Range Facilities Plan.

District Summary: Historical Distribution since inception

		Health and Safety/ Grants		Completed Capital Projects		Active Capital Projects		Subtotal	
	District	No. of Projects	Contract Value	No. of Projects	Contract Value	No. of Projects	Project Budget	No. of Projects	Contract Value
1	Asbury Park	5	\$4.5	2	\$22.2	0	\$0.0	7	\$26.8
2	Bridgeton	10	\$15.2	2	\$19.8	0	\$0.0	12	\$35.0
3	Burlington City	5	\$9.5	3	\$95.0	0	\$0.0	8	\$104.5
4	Camden City	46	\$32.3	4	\$191.6	1	\$40.1	51	\$264.0
5	East Orange	16	\$16.0	7	\$252.6	0	\$0.0	23	\$268.6
6	Elizabeth	23	\$36.7	11	\$292.2	1	\$40.3	35	\$369.1
7	Garfield	12	\$3.5	2	\$65.5	0	\$0.0	14	\$69.0
8	Gloucester City	7	\$8.8	2	\$44.2	0	\$0.0	9	\$53.0
9	Harrison	3	\$2.5	2	\$83.0	0	\$0.0	5	\$85.5
10	Hoboken	7	\$30.5	1	\$10.7	0	\$0.0	8	\$41.2
11	Irvington	23	\$24.4	4	\$76.1	0	\$0.0	27	\$100.5
12	Jersey City	36	\$71.1	16	\$203.6	0	\$0.0	52	\$274.7
13	Keansburg	7	\$5.8	0	\$0.0	0	\$0.0	7	\$5.8
14	Long Branch	9	\$16.4	4	\$199.1	0	\$0.0	13	\$215.5
15	Millville	11	\$18.5	2	\$34.5	0	\$0.0	13	\$53.0
16	Neptune	9	\$2.0	9	\$245.8	0	\$0.0	18	\$247.7
17	New Brunswick	13	\$3.3	3	\$222.1	0	\$0.0	16	\$225.4
18	Newark	93	\$159.2	10	\$367.3	0	\$0.0	103	\$526.5
19	Orange	11	\$15.5	3	\$108.1	0	\$0.0	14	\$123.6
20	Passaic City	12	\$45.0	4	\$93.3	1	\$45.5	17	\$183.8
21	Paterson	44	\$157.2	6	\$135.8	0	\$0.0	50	\$293.1
22	Pemberton Twp.	19	\$19.3	0	\$0.0	1	\$29.7	20	\$49.0
23	Perth Amboy	6	\$11.7	5	\$77.3	0	\$0.0	11	\$89.0
24	Phillipsburg	7	\$11.5	2	\$43.7	0	\$0.0	9	\$55.2
25	Plainfield	3	\$2.7	4	\$73.7	0	\$0.0	7	\$76.3
26	Pleasantville	5	\$5.3	0	\$0.0	0	\$0.0	5	\$5.3
27	Salem City	8	\$3.2	0	\$0.0	0	\$0.0	8	\$3.2
28	Trenton	19	\$24.5	8	\$186.9	0	\$0.0	27	\$211.3
29	Union City	18	\$6.3	4	\$226.5	1	\$46.2	23	\$279.0
30	Vineland City	13	\$15.1	6	\$126.3	0	\$0.0	19	\$141.4
31	West New York	8	\$14.3	3	\$104.1	1	\$62.8	12	\$181.2
	Total	508	\$791.8	129	\$3,601.0	6	\$264.5	643	\$4,657.2

NJSDA Capital Program Report

Section 2 : Results

Prepared by the New Jersey Schools Development Authority

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SDA Capital Program

Section 3:

Implementation Approach

Next Steps for Implementation

The SDA will implement a statewide strategic sequencing plan that advances projects from the Statewide Prioritization that are:

- Of high educational priority (DOE Rating)
- Of efficient construction factors (SDA Rating)
- Poised to proceed to next appropriate development stage (planning and/or design status)
- In final validation stages to proceed
 - » Review of Site & Environmental Factors
 - » Constructability Review
 - » Review of Project Budget & Schedule
 - » Review of Value Engineering
- Supportive of standardization (inclusive of a cost benefit analysis of redesign).

This strategic framework supports the development of design and constructability standards that are recognized to ensure quality and consistency of systems and materials; ease of operations and maintenance; and appropriate and cost-effective design.

The Authority will evaluate projects in accordance with this framework to identify an annual portfolio for design and construction advancement.

Further the Authority will undertake an annual determination of project capacity and continue its pursuit of alternate delivery approaches such as design build.

The SDA will meet with local district and elected officials to conduct a thorough review prior to advancing a procurement for a project.

Implementation

- **Plans to Achieve Standardization**

The SDA will pursue design standardization through a phased approach that will lead to design replication on multiple projects. The benefits of a phased approach include:

- coordination with sister state agencies on the development of programmatic standards,
- the establishment of internal standards,
- application of those standards to individual projects, while
- allowing for the advancement of appropriate projects.

In 2011, the SDA plans to pursue standardization through three phases:

Phase I: Evaluate the 2011 Statewide Prioritization to identify model school types that lend themselves to greatest number of projects
(i.e. Elementary School, K-8 for 600-700 students)

Phase II: Consider procurement for a “Kit of Parts” Prototype Design for a model school type

Phase III: Advance principles of standardization in all projects commencing construction in 2011

- » Potential design reuse: classrooms, labs, auditoria etc.
- » Identification of standard systems & materials
- » Standardized space specifications / model room layouts

- **2011 Selection Process**

A comprehensive review of the existing designs of projects included in the 2011 Statewide Prioritization revealed two projects that are supportive of the principles of standardization and are in final validation stages for advancement into construction in 2011:

- Elizabeth - Academic Magnet High School
- Long Branch - Catrambone Elementary School (Elberon)

A comprehensive review of the 2011 Statewide Prioritization further revealed several projects that are appropriate candidates for pursuit of standardization application in 2011:

- Bridgeton – Cherry Street Elementary School
- Jersey City – PS 20 Elementary School
- Jersey City – Elementary School 3
- New Brunswick – A. Chester Redshaw Elementary School
- Newark – Oliver Street Elementary School
- Paterson – Marshall & Hazel Elementary School
- Paterson – PS Number 16 Elementary School
- West New York – Harry L. Bain Elementary School

Implementation

SDA's 2011 Project Portfolio:

- 10 Projects to advance into a Model Design Procurement, Pre-Development or Construction in 2011 to address educational priority needs in Districts.
- Identification and Advancement of Alternative Delivery Methods
- Site Visit Program to Investigate Conditions & Validate Needs
- Completion of the current Emergent Projects and identification of future projects (allocation of \$100 million to fund future emergent projects)
- Complete Active Construction Projects in SDA Districts
- Pursue Project Close-Out for 94 completed capital projects
- Administer the Grants Program for Regular Operating Districts (1,155 grants) and complete SDA managed projects in the Regular Operating Districts
- Environmental and Errors & Omissions Cost Recovery Pursuit



Educational Prioritization of School Facilities Projects

FOR SDA 2008 CAPITAL PLAN REASSESSMENT

Prepared by the New Jersey Department of Education, Office of School Facilities

Inter-District Educational Rating Criteria

In accordance with N.J.S.A. 18A-7G-5m, the following describes the educational rating criteria used by the New Jersey Department of Education to prioritize projects funded in the New Jersey Schools Development Authority's (SDA) 2008 Capital Plan or proposed in district Long Range Facilities Plans. The purpose of the Department's review is to ensure that funded projects are responsive to current educational priorities and are an appropriate use of available funding. Project ratings are based on information developed in the "Educational Facilities Needs Assessment" for each district. Non-educational issues, such as current project status, funds expended, project costs, land acquisition needs, and logistical and construction considerations, are being considered separately by the SDA. The findings of the Department's educational assessment and the SDA analysis will be jointly considered in the final prioritization and recommendations.

The proposed methodology for the educational ranking of projects is similar to that utilized for the prior prioritization:

- A rating "point system" is applied to each project based on specific criteria. Projects with a higher number of total points are considered the most educationally needed.
- The rating criteria are designed to be as objective as possible and utilize readily available information. Existing rather than projected enrollments are used to assess overcrowding. Educational adequacy is measured by compliance with the Facilities Efficiency Standards (FES). The building condition assessment is primarily based on age and completed renovations.
- The rating criteria highlights the most deficient conditions since each project included in the analysis addresses facilities needs worthy of consideration. Therefore, a low score for a project should not be interpreted as indicating that the project is not needed. Rather, it indicates that higher scoring projects address more severely deficient conditions.
- Overcrowding remains the most weighted criteria.

Major changes to the previous educational prioritization criteria are as follows:

- All potential projects included in a district's approved LRFP that are consistent with the findings of the district's Educational Facilities Needs Assessment are considered rather than just those identified as priorities by the school districts or included in the SDA's Capital Plan.
- No additional consideration is given to specific school types or grade levels for overcrowding. Therefore, unlike the previous prioritization, an early childhood center or elementary school does not receive more rating points than a high school, for example, if equally overcrowded.
- District school buildings are assessed for general condition that includes building age, prior renovations, and FES compliance rather than just building age as in the prior assessment.
- The number of district students accommodated in appropriate, FES compliant buildings is used to assess the extent of district needs rather than LRFP completion.
- Criteria concerning the efficient use of available buildings and capacity have been added.
- The use of temporary classroom units (TCUs) and annex buildings are no longer considered separately since their use does not necessarily imply that a district is overcrowded or has inadequate facilities. Instead, their use is considered within the other rating categories.

OVERVIEW OF RATING CRITERIA

A comparison between the rating categories and total available “rating points” used for the 2008 Capital Plan and those proposed for the reassessment is provided below, followed by detailed descriptions of the proposed criteria.

2008 Capital Plan Prioritization		2010 Capital Plan Reassessment	
Ranking Category (25 points maximum)	Percentage of Maximum Points	Ranking Category (18 points maximum)	Percentage of Maximum Points
Overcrowding (5 pts. max.)	20%	Overcrowding (6 pts. max.)	33%
Preschool (4 pts. max.)	16%	FES Compliance (5 pts. max.)	28%
Temporary and Annex Buildings (4 pts. max.)	16%	School Building Quality (4 pts. max.)	22%
Building Age (4 pts. max.)	16%	Efficiency/Misc. (3 pts. max.)	17%
Misc. Building Considerations (2 pts. max.)	8%		
LRFP Completion (2 pts. max.)	8%		

District-Wide Overcrowding

(6 potential points; 33% of total potential points)

Existing overcrowding is assessed on a district-wide basis with the capacities of all district schools serving the same grades as the proposed project added together and compared to current enrollments. The criteria highlight the most severe cases of overcrowding in which every seat in every school is utilized, regardless of operational impediments such as school sending areas and bussing that may hinder full capacity utilization.

School capacities are based on the Facilities Efficiency Standards (FES) capacity calculation methodology for grades PK-5 and the “District Practices” capacity calculation methodology for grades 6-12. The FES capacity calculation methodology only includes district-owned preschool, kindergarten, general, and self-contained special education classrooms in the capacity calculations. This methodology is appropriate for elementary schools since instruction is non-departmentalized or “homeroom” based. District practices capacity allows select specialized classrooms, such as science labs, to be added to the capacity calculations for middle and high schools. Since each district has discretion in assigning capacity to specialized classrooms in its LRFP, the Department reviewed and recalculated capacity as needed to provide consistency among districts. This includes considering select middle school science labs and select high school science, technology education, physical education, vocational, and visual and performing arts classrooms capacity-generating regardless of whether indicated as such by the district in its LRFP.

A capacity utilization factor in accordance with the FES is included in the calculations. A 90% capacity utilization rate is applied to classrooms serving grades K-8. An 85% capacity utilization rate is applied to classrooms serving grades 9-12. A capacity utilization factor is not applied to preschool classrooms. Class size for all capacity calculations is based on the FES and is prorated for undersized classrooms. (*“Functional Capacity,” which determines “Unhoused Students” for potential State support for school facilities projects, is not used in this analysis.*)

A proposed project can receive up to six points for overcrowding and related considerations:

- **Existing overcrowding in grades served:** One point if the proposed project serves grades for which current district-wide enrollments exceed existing district-wide capacity.
- **5% or greater overcrowding in grades served:** One additional point if the proposed project serves grades for which current district-wide enrollments exceed existing district-wide capacity by more than 5%.
- **10% or greater overcrowding in grades served:** One additional point if the proposed project serves grades for which current district-wide enrollments exceed existing district-wide capacity by more than 10%. Since a 90% capacity utilization factor is applied to schools serving grades K-8, districts with a capacity deficiency greater than 10% are operating beyond maximum school capacity for these grades based on the number of district-identified general classrooms. High schools, whose capacities incorporate an 85% utilization rate, likely have scheduling difficulties and larger class sizes if 10% or higher overcrowding is identified.
- **15% or greater overcrowding in grades served:** One additional point if the proposed project serves grades for which current district-wide enrollments exceed existing district-wide capacity by more than 15%. Districts with a capacity deficiency of 15% or higher are operating beyond maximum school capacity. Current enrollments are likely accommodated through increased class sizes, the elimination of specialized classrooms, compromised program delivery, and/or temporary or leased facilities.
- **10% or greater district-wide overcrowding:** One point if current enrollments exceed total existing capacity for grades PK-12 by 10% or more. This gives additional consideration to districts that cannot relieve overcrowding by changing school grade alignments to utilize available capacity.
- **Increasing 3-year enrollments in grades served:** One point if enrollments in the grades served by the proposed project increased by 3% or more over the last three years. Although projected enrollments are not considered in this analysis due to their subjective nature, consideration is given to districts experiencing sustained growth trends.

FES Compliance

(5 potential points; 28% of total potential points)

FES compliance in terms of square feet per student, classroom size, and school size is considered for the grade groups served by the proposed project. The analysis considers current enrollments and existing district-owned instructional buildings that are in service or that can return to service without significant renovation. Lack of compliance indicates educationally inadequate buildings that may be overcrowded and/or lack appropriate instructional spaces. FES compliance rating criteria also give consideration to districts that have sacrificed specialized instructional and administrative spaces to increase capacity for enrollment demands. For example, if a district eliminated art, music, and other specialized classrooms in its elementary schools to create additional capacity-generating classrooms, it may not receive rating points for overcrowding but would gain points for FES deficiencies.

A proposed project can receive up to five points for FES compliance issues:

- **District-wide square feet per student is less than the FES for grades served:** One point if total district square feet per student for the grades served by the proposed project, based on current enrollments and including district-owned buildings or long-term leases, is less than that prescribed by the FES.
- **25% or more students in schools providing less square feet per student than the FES for grades served:** One point if 25% or more of district students for the grades served by the proposed project are accommodated in facilities that provide less square feet per student than prescribed in the FES.
- **50% or more students in schools providing less square feet per student than the FES for grades served:** One additional point if 50% or more of district students for the grades served by the proposed project are accommodated in facilities that provide less square feet per student than prescribed in the FES. This weights projects in districts in which the majority of students in a particular school type are educated in non-FES compliant facilities.
- **Majority of students in undersized classrooms:** One point if at least half of a district's students are taught in schools with general classrooms sized at least 10% less than the FES for the grades served in the proposed project.
- **Proposed school capacity equal to or greater than FES:** One point if the proposed project minimally provides the school capacity prescribed in the FES (early childhood center = 294; elementary school = 460; middle school = 675; combined elementary/middle = 689; high school = 900). This gives consideration to school projects that are efficiently sized and impact a significant student cohort.

Quality of School Buildings

(4 potential points; 22% of total potential points)

General building conditions are assessed to prioritize projects in districts that have a substantial number of students in aged, educationally inadequate facilities. Given the limitations of existing building data and time constraints that prevent comprehensive field surveys, the building condition assessment uses building age as a starting point and then factors in FES compliance and completed renovations to broadly assess the quality of each school building.

District schools were classified, in order from best to worst condition, as “appropriate,” “marginal,” or “questionable” in each district’s Educational Facilities Needs Assessment. Criteria for the three classifications are as follows:

- **Appropriate facilities**
 - ✓ Constructed or major renovation within last 30 years (1980-present)
 - ✓ FES compliant (minimum square feet per student provided; average general classroom size within 10% of FES prescribed size)

- **Marginal facilities**

- ✓ Majority of building less than 60 years old (1950-present) with no major renovation since original construction
- ✓ Not FES compliant (less square feet/student than FES; average general classroom undersized by more than 10%)

OR

- ✓ Majority of building between 31-100 years old (1910-1979) with no major renovation since original construction
- ✓ FES compliant (minimum square feet per student provided; average general classroom size within 10% of FES prescribed size)

- **Questionable facilities**

- ✓ Majority of building more than 60 years old (1949 or earlier) with no comprehensive renovation
- ✓ Not FES compliant (less square feet/student than FES and/or average general classroom undersized by more than 10%)

OR

- ✓ Majority of building more than 100 years old with no comprehensive renovation

OR

- ✓ Building provides at least 25% less square feet per student than prescribed in the FES based on current school enrollments

The rating criteria for building quality prioritize projects in districts with the worst overall facilities conditions. A proposed project can receive up to four points based on building quality:

- **Majority of PK-12 students in marginal or questionable facilities:** One point if 50% or more of all district students are accommodated in buildings that have been determined to be marginal or questionable per the previously described criteria.
- **Majority of students in marginal or questionable facilities for grades served by project:** One point if 50% or more of district students in the grades served by the proposed project are accommodated in buildings that have been determined to be marginal or questionable per the previously described criteria.
- **Proposed project addresses “questionable” facilities:** One point if completion of the proposed project allows a building determined to be of questionable quality to be taken offline or improved by the proposed project.
- **Majority of district square footage is more than 60 years old without major renovation for grades served by project:** One point if the proposed project serves grades for which 50% or more of the total district square footage was constructed more than 60 years ago and has not been comprehensively renovated or educationally updated.

Efficiency

(3 potential points; 17% of total potential points)

Consideration is given to district use of available capacity and whether a proposed project allows more efficient operations in terms of the number of school buildings or indirectly addresses deficiencies in other school(s). A proposed project can receive up to three points based on the following considerations:

- **At least 90% of all available district capacity is utilized after project completion:** One point if the district will use at least 90% of all available capacity after the proposed project is completed based on current enrollments.
- **School grade alignments efficiently utilize existing facilities:** One point if a change in school grade alignments will not reduce construction needs. This gives consideration to districts who utilize all available capacity. *(For example, a district would receive a rating point for a proposed elementary school project if the middle schools do not have surplus capacity to accommodate one entire grade from the elementary schools.)*
- **Project addresses overcrowding in other grades through existing school reassignment:** One point if completion of the proposed project allows an existing building to be reassigned to other grades that are overcrowded and/or have facilities that are not FES compliant, thereby addressing facilities deficiencies in more than one school type. This gives consideration to new construction projects that allow an existing building to be reassigned to other, often more appropriate grades that are overcrowded regardless of whether the project itself directly addresses overcrowding in the grades served. *(For example, one point if a proposed new middle school project allows an existing, educationally inadequate, middle school to be reassigned to elementary school grades in a district that has elementary school overcrowding.)*

SDA Rating Criteria

The following describes the rating criteria used by the New Jersey Schools Development Authority to review projects identified for inclusion in a reformulated Capital Plan. In accordance with N.J.S.A. 18A-7G-5m, upon the New Jersey Department of Education's (DOE) determination of educational priority ranking of school facility projects in SDA districts, the Schools Development Authority shall establish a Statewide strategic plan to be used in the sequencing of projects based upon the projects' educational priority rankings and issues which impact the SDA's ability to complete the projects, including, but not limited to, the construction schedule and other appropriate factors.

As a first step toward development of a Statewide strategic plan, the SDA has developed rating criteria to identify projects which represent the most efficient and effective use of available funding. The rating criteria are intended to evaluate the projects advanced by DOE as to the most efficient use of public funds.

The proposed methodology for the SDA ranking of projects is similar to that utilized by the Department of Education for the educational prioritization:

- A rating "point system" is applied to each project based on specific criteria. Projects with a higher number of total points are considered to represent a more efficient use of funds and more appropriate for advancement.
- The rating criteria are designed to be as objective as possible and utilize readily available information.
- As the DOE rating criteria identifies projects which represent the greatest educational need, the SDA point ratings identify which of those projects also represent a more efficient use of available funds. Since each project included in the analysis represents a high priority educational need as identified by DOE and is worthy of consideration, a lower overall score for a project should not be interpreted as indicating that the project is not needed. Rather, a lower score indicates that other higher scoring projects represent a greater educational need and a more efficient use of available funds.

The SDA rating criteria considers and accounts for a number of factors which together contribute toward efficiencies in program and project delivery. While efficient use of available capital funds is chief amongst these, consideration has also been given to factors which impact the efficiency of the schools construction program. The SDA rating categories account for these considerations and encompass the following:

- **Efficient Response to Educational Need – Total Points: 3**
How efficiently the proposed project responds to the identified educational need is evaluated by three metrics:
 - Design Net to Gross Ratio: *the ratio of the approved program area (instructional and support areas) to the gross square footage of the building (including hallways, toilets, storage areas, mechanical rooms etc). SDA Planning allowance for this ratio is 1.50%.*
 - Does not meet SDA Planning Allowance (over 1.50%) = 0
 - Meets SDA Planning Allowance (1.50 up to 1.425%) = 0.5
 - More Efficient than SDA Planning Allowance by 5% or more (1.425 or less) = 1.0
- If the proposed project does not meet the SDA Planning Allowance, would redesign result in net improvement? If "No" then 0.5 point may be awarded to recognize that the present design is as efficient as possible.*

SDA Rating Criteria

- o Building Construction Costs per Square Foot: *planning amounts for costs per square foot are general conservative estimates that are reflective of sound cost efficient building practices.*

Does not meet SDA Planning Allowance = 0

Meets SDA Planning Allowance = 0.5

More Efficient than SDA Planning Allowance by 5% or more = 1.0

If the proposed project does not meet the SDA Planning Allowance, would redesign result in net improvement? If "No" then 0.5 point may be awarded to recognize that the present design is as efficient as possible.

- o Have alternate and more efficient approaches to addressing the educational need been considered?

Yes = See next question

No = 0

If "yes", was the proposed project found to be more cost effective than the alternate option(s)?

Yes = 1

No or Not yet Known = 0

If a partially completed feasibility study exists or if other evaluative factors are in process that indicate efficiencies in pursuit then 0.5 point may be awarded. If no point is obtained for this metric and the proposed project garners sufficient points in the SDA Rating Criteria to proceed onto the reformulated Capital Plan, this question must be adequately addressed as part of advancement. If a more efficient and viable solution is identified, that solution must be evaluated for modification to the capital plan.

- **Efficient Use of Public Funds – Total Points: 3**

How well the proposed project represents an efficient use of funds as authorized by P.L. 2008, c. 39 (NJSDA's New Funding Legislation) is evaluated by two metrics:

- o Total Costs to Complete per Student as compared to the median of projects evaluated.

Greater than the Median Cost per Student (1.05% of median or greater) = 0

Median Cost per Student ($\pm$ 5%) = 0.5

Less than the Median Cost per Student (95% of median or less) = 1.0

- o Total Project Cost

Greater than \$100 Million = 0

Greater than \$75 Million and less than \$100 Million = 0.5

Greater than \$50 Million and less than \$75 Million = 1.0

Greater than \$25 Million and less than \$50 Million = 1.5

Less than \$25 Million = 2.0

SDA Rating Criteria

■ Construction Schedule Factors – Total Points: 4

How do construction schedule related factors align with the efficient use of public resources is evaluated by three metrics:

- Current Land Acquisition Status
 - Pending = 0
 - In Progress = 0.5
 - Complete or Not Required = 1.0

- Evaluation of Site & Environmental Risk Factors *(see the following detail)*
Based on established SDA criteria for evaluating the relative degree of uncertainty or risk associated with existing site and environmental conditions, projects are evaluated as follows
 - Not Yet Identified or No Data Available for Evaluation = 0
 - Site Identified, Moderate Risk = 0.5
 - Site Identified, Minimal Risk = 1.0
 - Site Identified, Low Risk = 1.5

- Degree of Certainty as Aligned with Construction Schedule
Understanding that with the further advancement of a projects concept and design, costs and design efficiencies are less likely to change and represent a more accurate depiction of the ultimate final project costs.
 - Obtained Pre-Development Approval = .5
 - Obtained Schematic Design Approval = 1.0
 - Obtained Final Educational Adequacy Approval = 1.5

OVERVIEW OF RATING CRITERIA

SDA Rating Criteria	
Ranking Category (10 points total)	Percentage of Potential Points
Efficient Response to Educational Need (3 points)	30%
Efficient Use of Public Funds (3 points)	30%
Construction Schedule Factors (4 points)	40%

SDA Rating Criteria

Evaluation of Site & Environmental Factors

The assessment process was performed by completing a review of the list of schools provided by the DOE. The objective was to evaluate the potential risk associated with the demolition, past usage, environmental and site development. This evaluation examined each project utilizing the criteria below with a maximum total of 19 points. Projects were then assigned up to 1.5 points for the overall SDA Rating Criteria based on the following ranges:

Not Yet Identified or No Data Available for Evaluation = 0

Site Identified, Moderate Risk (scored less than 65% of total points) = 0.5

Site Identified, Minimal Risk (scored between 65% and 80% of total points) = 1.0

Site Identified, Low Risk (scored 80% of total points or higher) = 1.5

Demolition

Demo Complete: Site demolition 100% complete including buildings, foundations and all known structures.

Special Demo/Disposal: Demolition that has the potential to increase project risk.

Past Usage

Undeveloped: Farmland, wooded or undisturbed property.

Residential/School (low): Current or former single family, multi-family, apartment buildings or educational facilities.

Mixed Use/Commercial (med): Multi-use sites containing a combination of residential, commercial, office and/or retail space.

Industrial/High Hazard /Unknown (high): Industrial, manufacturing, fueling facilities, landfills or sites with high potential for unforeseen conditions.

Environmental Investigation

PA/SI: Completed Preliminary Assessment and/or Site Investigation.

RAWP: Remedial Action Work Plan has been submitted to the DEP defining the corrective action.

RAR Sub/NFA Issued: Remedial Action Report submitted or a No Further Action Letter issued by the DEP.

Property Restrictions (DN/CEA): Known or anticipated Engineering Control and Deed Notice or Classification Exception Area required for partial or entire site.

Regulatory Land Use Conflicts: Known or anticipated land use conflicts that limit or restrict site development such as wetlands or endangered species.

Historical Preservation Required: Requirement to document, retain or preserve historical elements.

Remediation Risk

Low: Total estimated remediation exposure less than \$500 K.

Medium: Total estimated remediation exposure greater than \$500 K but less than \$1.5 M.

High: Total estimated remediation exposure greater than \$1.5 M but less than \$3.0 M.

Extreme: Total estimated remediation exposure in excess of \$3.0 M.

SDA Rating Criteria

Evaluation of Site & Environmental Factors (continued)

Site

Utilities Impacts:	Extraordinary impacts associated with utility service runs, connections or upgrades associated with the project.
Drainage Concerns:	Extraordinary engineered storm water measures impacting layout and construction.
Offsite Improvements:	Improvements to publicly owned facilities requiring upgrade as a result of site generated impacts such as highway ramps and traffic improvements.
GeoTechnical Concerns:	Poor soil quality or unsuitable fill material impacting construction.
Ground Water Concerns:	Shallow ground water elevation impacting construction.
Foundation Concerns:	Extraordinary foundation considerations such as the use of piles, caissons or mat foundations.