
Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

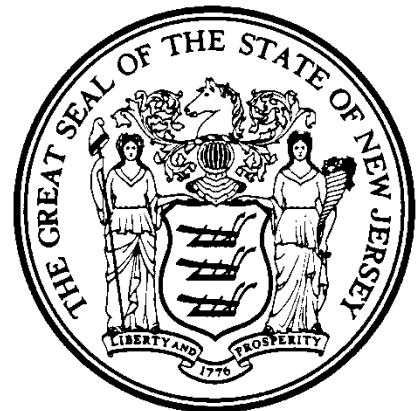
*“The Committee will meet to receive
the Schools Development Authority’s biannual report”*

LOCATION: Meeting via Zoom

DATE: April 26, 2024
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Joseph P. Cryan, Co-Chair
Assemblywoman Verlina Reynolds-Jackson, Co-Chair
Senator Angela V. McKnight
Senator Shirley K. Turner
Senator Joseph Pennacchio
Senator Michael L. Testa, Jr.
Assemblywoman Victoria A. Flynn
Assemblywoman Carmen Theresa Morales
Assemblyman Erik K. Simonsen
Assemblyman Benjie E. Wimberly



ALSO PRESENT:

Rebecca DiBenedetti
Executive Director

Ivy Pomper
Executive Assistant

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Therefore, portions of this transcript may not be completely accurate as portions were inaudible and/or indiscernible.*

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey



SENATE

Hon. Joseph P. Cryan, Co-Chair

Hon. Renee C. Burgess
Hon. Angela McKnight
Hon. Shirley K. Turner
Hon. Joseph Pennacchio
Hon. Douglas J. Steinhardt
Hon. Michael L. Testa

ASSEMBLY

Hon. Verlina Reynolds-Jackson, Co-Chair

Hon. Linda S. Carter
Hon. Carmen Theresa Morales
Hon. Benjie E. Wimberly
Hon. Victoria A. Flynn
Hon. Michele Matsikoudis
Hon. Erik K. Simonsen

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

P.O. BOX 070
TRENTON, NJ 08625
(609) 331-2485
FAX (609) 292-4912

Rebecca DiBenedetti
Executive Director
rsapp@njleg.org

Ivy Pomper
Executive Assistant
ipomper@njleg.org

MEETING NOTICE

TO: Members of the Joint Committee on the Public Schools

The Joint Committee on the Public Schools will meet on Friday, April 26, 2024 at 10:00 a.m., via Zoom to receive the Schools Development Authority's biannual report.

The public may address comments and questions to Rebecca DiBenedetti, Executive Director, at 609-331-2485, or by email at Rsapp@njleg.org

Issued April 10, 2024

TABLE OF CONTENTS

	<u>Page</u>
Manuel Da Silva Chief Executive Officer School Development Authority (SDA)	4
Elizabeth Athos, Esq. Senior Attorney Educational Equity Education Law Center (ELC)	27
 APPENDIX:	
Testimony, and Additional materials submitted by School Development Authority	1x
Testimony submitted by Education Law Center	52x
mej: 1-33	

ASSEMBLYWOMAN VERLINA REYNOLDS-

JACKSON (Co-Chair): All right, I guess we'll get started.

Do you want to do a roll call first, Becky?

MS. DiBENEDETTI: Sure; no problem.

Senator McKnight.

SENATOR McKNIGHT: Here.

MS. DiBENEDETTI: Senator Pennacchio.

SENATOR PENNACCHIO: Here.

MS. DiBENEDETTI: Senator Turner.

SENATOR TURNER: Here.

MS. DiBENEDETTI: I know Assemblywoman Flynn will be joining us shortly.

Assemblywoman Morales.

ASSEMBLYWOMAN MORALES: I'm here.

MS. DiBENEDETTI: Assemblyman Simonsen -- I know he's trying to get back in the room.

Assemblyman Wimberly will be here shortly.

Assemblywoman Reynolds-Jackson.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Here.

MS. DiBENEDETTI: And, Senator Cryan.

SENATOR JOSEPH P. CRYAN (Co-Chair): Here.

MS. DiBENEDETTI: OK.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Thank you so much.

I guess I'll get started by saying good morning to everyone, to all of our distinguished members of the Joint Committee on Public

Schools; our esteemed colleagues from the New Jersey School Development Authority and the representatives of the Education Law Center; and all of our guests who are on the call listening in today.

I am honored to Co-Chair this Committee with my colleague, Senator Cryan, to discuss the progress and ongoing efforts in enhancing our educational infrastructure and policy across the state.

As we gather today, let us acknowledge our shared commitment to the betterment of New Jersey's public schools. The collaboration between our organizations exemplifies our dedication to addressing the critical needs of our educational system and ensuring that every child has access to a quality education.

Today, we will be discussing a range of topics that are critical for the advancement of our schools, including updates on ongoing projects; financial oversight; and Legislative developments. Our discussion will also be touched on the challenges we face and innovative solutions we are implementing to overcome them.

It's our responsibility to ensure that these efforts not only continue, but also evolve with a challenging educational landscape. Let us use today's session to foster an open dialogue, share insight, and strategize on how best to serve our school communities.

Thank you again for your dedication and for joining us at today's session. And, I look forward for a fruitful conversation in setting a strong path moving forward.

Senator Cryan, do you have anything that you'd like to open up with today?

SENATOR CRYAN: Thank you, Madam Chair, and to the members of the Committee, thank you for your time, and to those who are joining us today.

I do want to take a minute and begin by thanking the SDA and their leadership for righting the ship. The reality is, the SDA is evolving into a responsive agency that moves and understands the times that they're in, and I appreciate it -- particularly as I represent the 20th District, the City of Elizabeth, which I'm sure all of you saw from the documents that were supplied, has the greatest demand in the State of New Jersey -- 6,500-plus students behind. But, that said, the responsiveness is much appreciated.

I'm very much looking forward to not only a conversation about what the SDA has accomplished, but, in particular, the financials. Where do we go from here? I am also exceptionally interested in the RODs, which I believe, based on the documents provided, have about \$450 million left. I'd like to talk about the definition of what these -- what a regular operating district is. I think communities -- and, I'll just use the 20th as an example -- communities like Roselle or Hillside, I'm not sure that 40% in all those things still applies, so hopefully we have a fruitful conversation about things we can do to move forward together to improve the educational outcomes for all our students.

But, I wanted to thank my Co-Chair here for taking a leadership role in bringing us together today, and I look forward to the conversation.

ASSEMBLYWOMAN
Awesome.

REYNOLDS-JACKSON:

Well, good morning.

All right, so, we'll start with the School Development Authority. Chief Executive Officer Manuel Da Silva, Scarlett Rajski, and Gregory Voronov will be presenting first, and then we'll move onto the Education Law Center.

MANUEL Da SILVA: Good morning.

Thank you, Co-Chairs Cryan and Reynolds -- thank you for the kind words -- and members of the Committee.

I know we have a PowerPoint presentation. I'm not sure. I don't think I can present, but I think somebody from your office is going to present for us, Assemblywoman, is that the--

MS. SAPP: So, the OLS IT Department will put it up on the screen for everybody to see, and just-- Again, just say, "Advance slide," when you're ready to move on.

MR. Da SILVA: OK.

MS. DiBENEDETTI: ITU, are you ready?

OLS ITU: Yes, would you like us to put the slide up now?

MR. Da SILVA: Please.

Perfect. At least, I can see it on my end. I hope everybody can see it.

All right, thank you for the opportunity to appear before you. My colleague, Gregory Voronov, Managing Director of Planning and Program Operations, and Scarlett Rajski, Director of Legislative Affairs, and I look forward to sharing an update on SDA. We'll be available to answer questions once we conclude with the presentation.

Advance slide, please.

So, our mission is up on the screen, but the main focus is, “Delivery of high-quality educational facilities.” But, what do we really do? So, we coordinate and collaborate the program, planning, and design of facilities utilizing our materials and system standards developed in house to address districts’ educational programs aligned with DOE requirements while adhering to building codes, safety standards, as well as security guidelines. Once that work is complete, our main role is to build a facility that supports the needs of our 31 SDA districts.

In addition to that, we also support the remaining districts across New Jersey through our regular operating -- or ROD Grant -- funding. And, that really explains what we here at SDA do in a nutshell.

Advance slide, please.

So, how do we do this? Well, we are the leanest we’ve ever been, with 129 staff members managing more than a dozen programs and initiatives. We handle procurement planning, design, capital, and emergent construction, and administer grants to both regular operating districts as well as our SDA districts. That’s over 580 districts across New Jersey.

And, above and beyond that, we’re also responsible for internal audits, workforce compliance reporting; we need to meet small-business enterprise goals; contract management. We have governments, ethics, and OPRA requirements. Those are some of the requirements imposed upon us that we also have to adhere to.

So, how impactful are we? Next slide, please.

So, the SDA has delivered 899 completed projects in the SDA districts; more than 5,400 grants across the state for regular operating

districts. We've impacted more than a million students; we've touched 40 Legislative districts; and over 20 -- all 21 counties, I should say.

Next slide.

I'd like to get into some of the details. We have a summary of what the past three years has brought us, in terms of funding, but let me just summarize what's up on the screen. It's \$225 million in grant funding for emergent and capital-maintenance projects that impacts both SDA districts as well as regular operating districts. Plus, \$350 million that was allocated towards regular operating districts for grants, which hasn't resulted in projects in over 260 school districts. Plus, \$1.75 billion total for SDA districts to advance the 19 projects that we have identified in our strategic plan, and that we've advanced now as a capital program. So, all of that to say we've received \$2.275 billion in the past three fiscal years combined.

Next slide, please.

So, in front of you, you have a picture of upcoming delivery. We actually completed this ahead of schedule. It's the Perth Amboy High School, the largest high school we've built in New Jersey. Maximum occupancy of 3,300 students; 576,000 square feet; with a State investment of \$284 million.

Next slide.

Upcoming delivery to be occupied in September is the Orange Cleveland Street Elementary, just over 50,000 square feet. It's a K-7 facility; consists of an addition and a renovation component, which will support 316 students in Orange, New Jersey.

Next slide, please.

So, that details at least the first two projects that you see in capital projects. So, Orange Cleveland, and Union City. And, now we have-- We also have 19 additional projects approved in our 2022 capital program. We have 14 emergent projects: Twelve managed by the SDA; two are managed by the school districts; and, then, a grant program from the \$75 million allocation that we're also running. And, I'll further detail those specifics in the upcoming slides.

Next slide, please.

So, from the 2022 Capital Plan, the status is -- which I know everybody is interested in this piece -- we have two projects that are completed. We've delivered Nelson Mandela School in Newark, and New Brunswick, a Van Dyke Avenue building acquisition. So, two acquisitions we bought, we flipped into the district that very same day that we acquired them. We have two projects that are in early site-preparation phase, so one in Garfield, New Jersey, that's going to abatement -- undergo an abatement and demolition -- and then one in Elizabeth, the Battin School. We started out with a different project, which was supposed to be at the Benedictine Academy site, which I know Senator Cryan was very involved with.

However, because the Battin School was condemned, we pivoted and shifted and we are now demolishing and abating and then we're going to do the demolition on Battin, build that school first, and then, at a future time, we'll have to find additional funding to then develop the Benedictine Academy site.

With that, we also have eight projects that are preliminary -- or with preliminary -- or planning project charters approved. And, then, we have seven projects remaining that are planning or scope-development

validation stage. And, when I say planning, it really-- As an example, Garfield-- We need to develop or build the first one so then we can shift those students out of the other facility and then tear down the second facility and build that. So, it's a phasing exercise that we have to do within the district.

Next slide, please.

Providing a snapshot of all 19 projects that we have going on. So, in total, 19 projects which will address or provide roughly, or just over 8,000 new seats across the 31 SDA districts. It doesn't impact all 31 SDA districts, but it is providing just over 8,000 new seats in our SDA districts.

Next slide, please.

Just a drill down on the emergent projects. I said there were 14. We are handling 12 internally here at SDA; two are being run by districts, so we issued a grant. One is the Burlington Captain James Lawrence, and the second one is Holly Heights in Millville. The other 12 are managed by SDA.

Next slide, please.

From a grant perspective: So, in the past three fiscal years, we've received \$75 million per year that was -- provides funding that is allocated to both regular operating districts, as well as SDA districts. That's a total of \$225 million. We've allocated a majority of the funding. I think the next three slides will provide you a detail as to where we're at with that spending and those allocations of funds. Our goal was to get the money into the districts' hands so they can do their projects.

Next slide, please.

From the FY22 funds, we have \$1.5 million left. The SDA districts have gotten all their -- the entire \$50 million. The regular operating districts, there's \$1.5 million remaining to distribute to them for different reasons.

Next slide, please.

From the FY2023 funding, we have \$3.8 million remaining in that pot of money, again, just for regular operating districts. The SDA districts have asked for their money, and they're building their projects.

And, then, lastly, the most recent pot of money that we received -- next slide, please -- FY2024. We have \$25.8 million remaining, which is-- It's \$14.6 to SDA districts and \$11.2 to regular operating districts. We started the distribution of those funds at the beginning of this year, and hopefully by the end of this year we'll be down to almost nothing or nothing is our goal. Our goal is, again, to get the money into the districts' hands, so they need-- They can address the maintenance needs that they have in each of their districts and facilities.

Next slide, please.

The heart of Senator Cryan's opening statement -- regular operating district -- what are we doing for them? So, there was \$350 million allocated from the Debt Defeasance Fund in FY2023. We de-obligated funds from projects that were either not completed or districts never advanced a project, so we de-obligated roughly \$100 million. So, we are able to marry those two funding sources and put together a grant program with DOE that was for \$450 million.

Some of the-- So, we will fund a minimum of 40% of the eligible cost; however, in some districts, those numbers can get up to 70-80%,

depending on what the state share formula tells us we can share. And, we are specifically focused on the educational component, so we will not fund administrative aspects of a school district. But, at least it's a minimum 40%. Where do we see those funds go to? It impacted more than 260 school districts across the state, so there's roughly 550 regular operating districts. So, it's just around 50% or just under 50% of the school districts. Most of the projects impacted HVAC; dozens of boilers and water heaters; and then 200-plus roof-replacement or repair projects across the state.

Next slide, please.

If I can get into just the status of the program. So, there was a total of 662 projects which represents a stated for a total project cost of \$1 billion -- or, just over \$1 billion -- and a State share of \$457 million. So, all of our funding supports a \$1 billion construction project initiative across the State of New Jersey in the regular operating districts. Of those, we've offered 654 grants, and we have pending eight grants. This category of projects pending-- It's pending because they're pending DOE approval; once that's approved, then we can go ahead and do the grant executions.

Next slide, please.

Of the 654 that we've offered, 133 have been executed or -- 133 submissions have been received, and we've executed 128, so, making great progress. If we keep in mind this started at the beginning of this year, our grant team has done an amazing job to get this out to the districts. And, as the districts return their paperwork, we'll get them executed and then starts the tracking of projects and the payment to support these construction projects.

Next slide, please.

And, this is my last slide.

So, looking ahead, what do we have? So, let me first talk about needs. So, we have 9,000 seats that still remain to be addressed from our strategic plan. We do not have funding for those 9,000 seats. We have 50-plus age facilities across the SDA districts alone. And, I'm sure if we look at SDA districts and look at regular operating districts, there's probably a need in regular operating districts as well. I'm sure most of you see that in your districts.

The SDA gets creative, so we try to-- I talk about pivoting and shifting and trying to adjust to the current times. We try to deliver with alternative delivery methods, and alternative delivery means -- just like the two, Nelson Mandela and Van Dyke -- we bought two schools, we flipped them over to the district, so it's an immediate injection of seats into those districts. And, so, we'll look for those opportunities when we can.

We also pursued Federal funding, and our Union City project will be partially supported by the \$50 million Federal grant funds that was granted to us by U.S. Treasury. We're in the middle of that project. Once we deliver that project, then there is a public component of health monitoring or a health program. There's a job-training component. Once that is fulfilled by the Union City School District and the City, then those funds will free up, essentially, \$50 million from the program which would allow us to hopefully build another school by utilization of Federal funds. But, we have to get to the end to make sure that we can retain the Federal grant. And, so, I think we will; I mean, we're well on our way. We expect to deliver that school in Union City in FY2025. And, then, a three-year

monitoring program, so, by 2028, we should have full access to those \$50 million.

So, what do we need? I think one of the biggest needs for us in the SDA districts -- and, it's identified in our strategic plan -- is those 9,000 seats, a majority of those districts do not have land. Seven thousand I believe, or just about 7,000, are in Elizabeth alone. We're going to need land in order to build schools that will support that need of 7,000 seats.

So, that will be the first thing. And, we don't have funding right now to do that land acquisition. As you know, a land acquisition can take two, three, four years. So, that's a lengthy process, so we'll need to strategize and figure out how we get funding either to buy land and then worry about construction later on, or, really, what we're supposed to do as an authority is we can't start a project until we have the funding set aside that'll allow us to advance the project.

And, then, from a municipal perspective, our commissioners and our mayors and the cities across the state that support -- where our SDA districts are located in -- is municipal site planning. So, as developments advance and apartments get built, it would be important if the master plans also included a strategy for allocating land -- or, setting aside land -- for schools to support all that residential development. And, that's the-- If there's one ask, that would be one thing that I would say we would highlight across the entire state, not just for SDA districts, but even in regular operating districts. Some have an abundance of lands and others do not, but it's important as we churn development which results in rateables -- and, I understand that -- we also need to think about how are we going to educate

those students and that increase the population that it occupies our cities across New Jersey.

That concludes my presentation. Greg, Scarlett, and I-- The three of us are here to answer any questions that you have. Or, if we can't answer a question, we'll definitely get back to you. That's what we're here for.

Thank you for the opportunity; appreciate it.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Wow, thank you so much.

Members, does anyone have any questions?

SENATOR CRYAN: I do.

ASSEMBLYWOMAN REYNOLDS-JACKSON: OK, Senator.

SENATOR CRYAN: I just wanted to-- And, first off, thank you for a thorough presentation

Do you, Manny, on the last -- on the last chart you have -- the acquisition of land. I was hopeful you could-- Do you guys have any sort of ideas to what that total need is?

MR. Da SILVA: We-- So, I can tell you, probably the number of school districts that need land, but I can't tell you the exact number or the square footage. And, so, here's the reason: It depends on how big that lot is. The bigger the lot the more students I can squeeze into that piece of property. As an example, Benedictine Academy site: It's a big site, so we can probably do 1,000- to 1,200-student facility there. First, there's a smaller piece of property for, let's say, an elementary school. Maybe I can only fit 750.

So, it really depends on how much land we have, we'll define how big of a building we can go with--

SENATOR CRYAN: But, based on your experience, if you were in our shoes looking at some sort of funding need and wanted to deal with the land-acquisition piece -- I wouldn't need an answer today -- but, if we were to drop legislation or put in the budget some sort of pot of money to do that, what's an adequate number? It may not be perfect, but let's just--

MR. Da SILVA: All right, so, let us--

SENATOR CRYAN: I don't need an answer today, but--

MR. Da SILVA: Let us run through some numbers based on historical data, and we'll have caveats on there. And, I say caveats because when you buy a piece of property, you don't know if there's buried debris on that site; if there's contamination. There's other variables that are impacted. There could be structures there.

So, we'll try to give you a number that's qualified with items that may impact that funding, but we'll definitely try to circle back and get you a number on that.

SENATOR CRYAN: Yes, I mean-- You mean people would actually look at contaminated sites, Manny, and talk to the SDA about that?

MR. Da SILVA: (laughter)

SENATOR CRYAN: On occasion?

MR. Da SILVA: On occasion, yes; yes, Senator.

SENATOR CRYAN: And, could you also-- You talked about the FY24. If not for today, and I suspect the folks-- The Law Center, I think they're going to talk about \$7 billion in needs when they speak. Can

you give us some idea in terms of RODs, what the future requirement would be?

I will tell you, and it's a little bit of a follow up from my opening comments. The Roselle kid and the Hillside kid is the Elizabeth kid. And, those budgets -- bare or not -- those folks have trouble, those communities have trouble coming up with the down payment, so to speak, as you know.

MR. Da SILVA: Right.

SENATOR CRYAN: And, we really need to look at -- this is selfishly for me, but I suspect quite a number of folks on here -- as to how we look at, I guess, what they used to call a (indiscernible) district, how we look at some sort of equitable funding for fairness in this thing.

Last question for me. The prioritization plan is -- if I understand, if I read this right from your comments and the rest -- should be coming up soon, is that correct? Are you re-prioritizing now, or is that something ongoing, or how does that work?

MR. Da SILVA: So, once we got the funding in place, we hustled and we prioritized the schools in order of need first. So, that's why you see Elizabeth at the top, and once we knew that there was land.

So, we've already prioritized the schools. Nineteen is our capital program; we have budgets for each of them. They are sequenced in order of need first. So, we've gone -- let me see, off the top of my -- 12; two we deliver schools, 10 are on the books right now where we're going through planning and design and trying to get them teed up advancing towards construction. And then, seven, we need a final discussion with district or there's a phasing -- a sequence that we have to go through in the Senate. My

example was Garfield: I can build the first Garfield school, but I can't do the second one because I need the space for swing space. So, I'm going to move the students out of the old school; move them into the new school; and then I could take down the second school.

SENATOR CRYAN: Right.

MR. Da SILVA: But, we are teed up in that fashion, so that's how we'll proceed with those schools.

SENATOR CRYAN: I need to give others a chance.

Thank you, and thanks again to the SDA team. Thank you.

MR. Da SILVA: Thank you; appreciative.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Thank you so much--

SENATOR TURNER: I have a question.

ASSEMBLYWOMAN REYNOLDS-JACKSON: OK, Senator Turner.

SENATOR TURNER: OK, you mentioned eight charter schools. Can you tell us where those charter schools are located?

MR. Da SILVA: No, no, no. I'm sorry if I confused the issue. No charter schools. When I say "charter," I'm talking about an SDA charter.

And, what that means is an SDA charter is really a budget, is what we refer to.

SENATOR TURNER: Oh, OK.

MR. Da SILVA: The charter contains the total fiscal analysis for that project, from beginning to end. It includes furniture; it

includes land acquisition, if there was any; demolition; building the structure; permitting; design; it includes everything. Not charter schools.

SENATOR TURNER: OK.

MR. Da SILVA: My apologies.

SENATOR TURNER: I know they're looking for money for schools.

MR. Da SILVA: They are, but SDA is not the -- at least the entity right now that's going to do that.

SENATOR TURNER: OK.

MR. Da SILVA: There is a bill out there to provide charter funding, which is with the -- I think that falls within the Economic Development Authority's realm of responsibility.

SENATOR TURNER: All right, thank you.

Now, the other question--

MR. Da SILVA: Thank you.

SENATOR TURNER: --I have is in regard to your minority female workforce hours.

Of course, we know that many of these schools are located in urban areas, and I want to make sure that the people who work in those cities are going to be the first to be hired to complete these projects, because we know that this is a wonderful tool for economic development in our urban cities.

And, you have it broken down in two categories, more or less -- minorities and female workers. Can you define minority?

MR. Da SILVA: Sure.

SENATOR TURNER: What does that include?

MR. Da SILVA: All right, so, minority for SDA is defined -- and, maybe it's across the state -- as Black, Hispanic, indigenous American, and Asian. Those are the four categories that are defined in our total minority participation.

And, so, as an example, at the end of December 2023 -- or, at the end of last year, I should say, December 2023 -- our workforce hours or percentages reflected a 25.37% on our SDA projects. And, that's in our report -- again, the end of December 2023.

Now, female -- total local county female workforce hours was 616 hours. And, just to respond to your statement that we want a local hire. So, when we go into a district, our first thing is-- Our projects are PLA so we are-- Our contractors reach out to those local unions, and they hire from those halls. So, sometimes there are local representatives or folks from those communities, and sometimes there are not.

What we do is we push for small-business enterprise, and we try to match those -- achieve those goals, and we normally do. We also push the female-owned, and sometimes we're on target and sometimes we're below target. But it's also a capacity. What is the availability that's out there in the workforce from those -- from that perspective? And, then, DVOB, to table their own businesses, the third category that we ask our contractors and is a part of the procurements that they try to achieve those goals and when they don't, we do sit down with them and try to get creative about trying to meet those goals. Sometimes they're able to, and sometimes they're not, but we cannot force them to do something. It would be against the law for us to force it.

SENATOR TURNER: So, when you say that you make good-faith efforts to identify minorities, good faith means what your goals are and the availability of the people who are there in those communities?

MR. Da SILVA: So, good faith is trying to achieve a 25% small-business enterprise target, or goal. And, a 3% disabled veteran-owned business.

Now, SB is broad, because this small-business enterprise includes minority; includes female owned. So, it's a bigger umbrella. We always achieve the small-business enterprise goals. We don't always achieve 100% of the categories below that.

SENATOR TURNER: Well, I know that over the years I've found that it is very difficult for many Blacks in particular to break into these trade unions in order to take advantage of these opportunities. And, I would like to see a breakdown in terms of Blacks, Hispanics, as well as Asians and -- what was the other category?

MR. Da SILVA: Indigenous American.

SENATOR TURNER: Yes. That would be instructive.

MR. Da SILVA: OK, we can get that over to you. We can send over, through the Co-Chairs, last year's numbers for our workforce compliance categories.

SENATOR TURNER: Thank you.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Thank you, Senator Turner.

Assemblywoman Morales, you had your hand raised.

ASSEMBLYWOMAN MORALES: I did; it's a question.

First of all, I just want to thank everyone for just being here. Your presentation.

This is my first meeting on the Joint Committee of Public Schools, so, I'm happy to join everyone on this task.

I did have a question about the 50-plus aged facilities that need to be addressed. Is there a priority with how you decide which schools that are really aged and old get addressed first? I don't know if there's, like, this and this school has been around for 100 years and it's falling apart; this one needs more priority than other schools.

It's just a question, because we all know that in every school district there are those really, really old facilities that our children are going to every single day and they're pretty much falling apart in front of them.

So, that's just my question, just addressing those very, very old age buildings. Because our children should not be in those facilities.

MR. Da SILVA: OK, so--

ASSEMBLYWOMAN MORALES: Second question is -- and, I don't know if this *can* happen -- is can we get a list of which districts are SDA and RODs?

MR. Da SILVA: Yes, yes, we could. It's actually on our website, but we'll get that through the Co-Chairs as well.

ASSEMBLYWOMAN MORALES: Thank you.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Thank you, Assemblywoman.

Senator McKnight.

MR. Da SILVA: Wait, wait, I didn't answer her question.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Oh, the second part? OK.

MR. Da SILVA: (laughter)

Yes, I'm sorry -- the first part.

So, on the aged facilities. So, aged facilities, our first priority has been -- I'm not trying to be callous, and I'm not trying to pick and choose -- but it's to get students out of trailers into classrooms. And, so, that has been the priority with this capital plan. That's why it's 19 school facilities; 17 of them -- I'm sorry, 18 of them -- are addressing capacity needs. So, it's getting students into a classroom.

We have one that is a replacement facility; an aged facility that we're doing -- the only facility -- I'm sorry, Greg, two facilities, or just one? It's two. All right, I was misspeaking. So, we have two facilities -- replacements.

Now, the other 50 facilities, everything is a priority from SDA's perspective, but we don't have the funding. And, then, when we're talking about 50 facilities, I'll say this: That the majority of those facilities are 100-plus years old. So, I don't know how you prioritize -- and, I'm just giving you an honest answer, Assemblywoman -- I don't know how you prioritize something that's 100 versus 105, because they're equally important. But, we just don't have the funding right now to address those facilities, so there's no point -- at this point in time -- to try to sequence them and try to figure out.

But the ones that we were able to replace in this round with our capital plan was because they had land available where we could immediately go after and replace those two facilities. And, in other districts

across the State, land is -- again -- the issue. Trying to figure out, how do we replace a facility without displacing those students for two to three years while we're building that facility becomes a challenge. You need swing space, so you need to identify other property. You can house those students, so then you can tear down the facility -- or, build the facility then on land that's available.

I hope that answers your question.

ASSEMBLYWOMAN MORALES: Yes, thank you.

MR. Da SILVA: Thank you.

SENATOR McKNIGHT: Hi, good morning.

This is Senator McKnight.

Thanks so much for this amazing presentation, and, such as the Assemblywoman, this is my first time on this Committee.

So, I have maybe two questions. So, the first question is, you mentioned that there are 9,000 seats and 7,000 of those seats are in Elizabeth, correct?

So, can you give us a breakdown of the 2,000 remaining seats?

MR. Da SILVA: Yes, just give me a second, let me -- I need to get to my information here real quickly.

SENATOR McKNIGHT: Oh, you can send it through the Chairs; that's fine.

And, then, the second question that I have is the Assemblywoman mentioned about, do you prioritize the buildings? Do you -- So, instead of prioritizing buildings, because you know 105 years, 100 years -- the same? However, are we going into those facilities to see if they are in

true dire need, such as ceilings are falling down; bathrooms are in a total disarray?

Because we can-- We can kind of prioritize like that, because you have mold, asbestos, and all the other negative elements that our children and our teachers and faculty are maybe breathing in or having to endure each and every day.

MR. Da SILVA: So, Senator, let me first start with, I think if a facility was in that dire of a need, the district would have notified us and probably shut the facility down. So, I'm optimistic that we don't have that type of issue. And, we do have eight facilities which we need technological advances; climate control; security upgrades, I think, is what we're looking-- And, some of them can support those upgrades and some cannot because of electric. They don't have sufficient electric to support HVAC or whatever other requirement.

As far as understanding what kind of shape they're in, we've toured facilities-- I can't say that we've done 100% of the facilities across every district, but we stay in constant communication with our school district. So, I know and have conversations with most superintendents in school districts -- as does Greg. Before we started this advanced strategic plan to understand the needs, we had a discussion with each and every single school district to understand what is the need that's reflected in the Education Facilities Need Assessment exactly what you need. Some it was and some we ended up pivoting and adjusting to really meet their needs, or there could be a shift within the district where they're going to say they're going to change the way they educate those students and grade alignments, or something.

So, we always have those discussions. I think the most recent, Greg, the end of 2022, when we went to those discussions with the district from beginning to end, all-- So, that was our most recent, and, then, I have discussions on a regular basis with superintendents. It's Passaic; it's Elizabeth; it's Newark -- all across the 31 SDAs. And, then, outside of the SDA districts. Scarlet and I met with Dover in northern New Jersey. We've had conference calls with Senator Cryan and school districts and in his districts.

So, we try to stay in touch. I can't say that we know exactly, 100% of everything that's going on, because the districts do have a responsibility to manage their districts. And, then, some do call us and update and sometimes they don't, but we eventually get caught up as best as we can.

SENATOR McKNIGHT: Well, thank you, I appreciate that.

MR. Da SILVA: Thank you.

ASSEMBLYWOMAN REYNOLDS-JACKSON: I don't see any more hands up for questions.

I do have one. I know we keep talking about land acquisition, and I'm just wondering, does the SDA keep a list or an inventory of State-owned property, due to maybe new schools being built, or school closures? Is there an inventory that we could get for each of our districts?

MR. Da SILVA: So, we have an inventory of land that we have, and then we have spoken to each one of the districts. And, if there's land available, it's been identified and we're aware of it. And, so, when the

capital plan we advanced -- it's either land that we have or land that the district has.

Since we did that last initiative, we are aware of additional districts that now have identified land and would provide an opportunity for development when future funding becomes available.

So, we do-- We are aware what the districts own, what we own. We're not always necessarily aware of what a city owns, or with a county or sometimes a state. But, with discussions and meetings, we do-- We are made aware, and some mayors are very forthcoming and they'll try to help. Mayor Bollwage in Elizabeth; Mayor Stack up in Union City gave us -- or gave the school district -- two surface parking lots, built a parking garage, and that resulted in land for school.

There's-- As long as the lines of communication are open, there's always room for opportunities, and when we're aware of them, we try to take advantage of it.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Because, I think that's the point to be able to sell or repurpose and re-use.

I know. I used to serve on the planning board, and we always went through some, "Oh, this is owned by SDA, this is owned by the city," and, you know, we kind of went through this back and forth. But, this is why I'm asking if there's a possibility through the Chair -- through, send it to Becky -- a list of what's available in our districts. I would like one for my district specifically.

MR. Da SILVA: So, we can-- We can share what we have, as far as land. And, when we know there's land available, we'll try to identify

that there is land available without giving you specific lot and blocks; we don't necessarily have that information.

ASSEMBLYWOMAN REYNOLDS-JACKSON: OK, and my last question is around-- I notice for those emergent projects, and even on some of the facilities that *everybody*, it seems like there's this greater demand for better air quality since COVID. All types of HVAC systems; boilers; roofs; windows. Like, it just seems like *everybody* needs it.

And, I'm just trying to figure out, how do we address this? And, not to sound cold, but are they all emergent? What's the line when you say, "This needs to be upgraded," versus, "We have a new system," but they could stand for the next new phase? Because the dollars that we're trying to use are scarce, but we have some really older systems where people just don't have any that need to be prioritized.

I'm just trying to figure out-- Have you seen that as well, in terms of the demand?

MR. Da SILVA: So, I think what we've seen is with the past three years, with the fiscal year appropriation of \$75 million -- and, really, \$50 million went to the SDA districts. That, I think, has helped create a dent in addressing some of those maintenance items.

And, I would say this: That, if the maintenance gets done and districts plan for capital upgrades-- So, they know a roof is 25 years life expectancy, so they should plan for a replacement of that roof in 25 years. Of course, is there dollars available to put aside? That's a whole different discussion. But, if they plan accordingly, then we never really should have an emergent project. And, that's, I think, what the \$75 million is kind of pushing towards, or the \$50 million for the SDA districts kind of trying to

push towards. It allows the districts to now address the maintenance and, through some capital improvements -- which means the list of emergent projects should really decrease, if not disappear altogether.

Now, we've been successful in the past three fiscal years. I know the budget, thanks to the Governor, and you guys, and hopefully it passes with \$50 million again for SDA districts. I know the \$25 million for RODs has been eliminated this year because there's immense needs from a financial perspective. There's a shortfall of \$1 billion and so some cuts had to be made.

But, the \$50 million I hope will continue to support those districts. HVAC or ventilation upgrades, we've seen those; we've seen roofs. Air conditioning is tougher, because some of those electrical systems in those aged buildings cannot support a full HVAC system, so it becomes a bigger challenge.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Yes, yes.

MR. Da SILVA: But, it does help with heating plan, ventilation in those buildings. And, so, we are making a dent slowly, and the past three years have definitely helped, and I think this, if we're successful and having it in a budget this year, it'll be a fourth year that'll definitely help.

And, when you look at it, it's \$300 million over four years, which is money that they didn't have before now.

I'll say that districts do have access, and I think this (indiscernible) part of Senator Cryan asked me initially, which I don't know that I fully responded to.

But, districts also have available to them debt service aid, which they can go to the voters, ask for -- through the voters -- for money to

upgrade facilities, and then use debt service aid to repay at least the debt portion of that obligation. And, so, it ends up somewhat equating to the grant funding that we're providing here.

ASSEMBLYWOMAN REYNOLDS-JACKSON: OK.

MR. Da SILVA: So, it's yet another funding source for regular operating districts that's out there -- not necessarily for SDA districts.

ASSEMBLYWOMAN REYNOLDS-JACKSON: OK.

Well, thank you so much, that was very informative.

Seeing no further questions, I want to thank you all for your input.

And, I think we should move along to the Education Law Center. I see we have Sharon on, and we also have Elizabeth.

I have-- My boxes keep moving, so I have to keep re-looking for you all.

(laughter)

ELIZABETH ATHOS, Esq.: Yes; good morning.

I am Elizabeth Athos from Education Law Center.

And, Co-Chair Reynolds-Jackson, Senator Cryan, and honorable members of the Committee, thank you so much for inviting Education Law Center. We're happy to be here, and very glad to hear -- see Da Silva's testimony as well.

As you know, we've been representative of the students in the 31 SDA districts, and have a particular interest in New Jersey's school construction program. What I am going to focus on today is the urgent need for additional construction funding, and several statutory reporting

requirements that we think might need your oversight to ensure timely compliance.

First of all, let's acknowledge the last three fiscal cycles. There have been important contributions to school construction funding, for which we're very grateful. I mean, CEO Da Silva talked about the \$1.75 billion that went to capital construction in the SDA districts, and the money that has gone to emergent projects and capital maintenance.

But, you know, great as that is, let's acknowledge that this is the first money added to school construction since 2008, and that the funds are already fully committed and they're not sufficient to meet the capital and emergent needs that exist beyond the current capital plan.

Unfortunately, we're in a situation where there's been -- and, this is prior to CEO Da Silva's tenure -- there has been, there have been years of inadequate support for construction and maintenance, and that's left schools in our most vulnerable and racially segregated communities in dire need of repair and replacement.

We had indicated in our testimony that we thought there were an additional 8,000 seats, but I see -- I stand corrected from the PowerPoint; it's 9,000 seats needed to address overcrowding. And, the 50 buildings that are needed to be renovated or replaced due to age and condition. You have, in Newark, 13 schools that are over 50 years old, and Paterson (indiscernible) -- excuse me, over 100 years old. And, in Paterson, eight that are over 100 years old. And, obviously, numbers in other districts as well.

And, our understanding of the -- going through the Abbott case is that the SDA -- a very rough estimate -- would be \$7 billion to address

these outstanding needs. And, so, we consider it to be an urgent issue, and it makes us extremely disappointed that the Governor's FY25 budget doesn't include additional funding for capital construction, and just the \$50 million to address building maintenance issues in the SDA districts. There's no doubt about the legal obligation here; we all know, I think the Abbott v. Burke rulings and the continuing obligation of the State to remediate unsafe and overcrowded schools for the students in the 31 SDA districts to receive a constitutionally mandated education.

And, given the students' significant need, we're going to urge you to work with your colleagues to include additional funding for the school construction program before the budget is finalized in June.

We work with the Healthy Schools Now Coalition, which is a group of 126 organizations representing advocates, community groups, schools, and parents. And, that group has been advocating for legislative commitment of \$500 million per year starting with the FY25 budget for the next 10 years. And, we would support that and hope that you would seriously consider and support that as well.

And, if that kind of general budget appropriation is not feasible, we would ask the Legislature to look for other sources of funding. There is still significant money in the Debt Defeasance and Prevention Fund. I think there was nearly \$3 billion that could be available upon request for-- There are other things that it may be wanted for, but school construction is certainly one of the things it could be used for. And, then, if not, then the Debt Defeasance and Prevention Fund, of course, there's a bond authorization as has been done in the past.

We'd like to make a particular plug for \$30 million for the building's conditions and assessment survey that was recommended by the SDA in its 2019 statewide strategic plan, and again in 2022. This survey is intended to allow the SDA to be proactive rather than reactive. There's currently no uniform, comprehensive way to note the numbers and types of capital maintenance and emergent projects in the SDA districts. And, this will provide a complete body of information about building conditions and remaining useful life; be able to get reliable cost estimates; and assist with planning so that similar conditions at multiple schools can be addressed at the same time.

I will just say that there were some certifications from CEO Da Silva in the Abbott litigation that I think made a compelling case for how this -- doing such a survey would be efficient and ultimately save money for taxpayers.

And, then, beyond the funding, you may know that the facilities statute sets up reporting mechanisms so that we can stay on top of this program and keep advancing it. And, every five years, the SDA districts have to update their long-range facilities plans. In taking a look on DOE's website, it looks as though there-- We saw at least five that are out of compliance, which are noted in our testimony. So, those districts need to update their LRFPs and it's important that DOE ensure that happen because the information about enrollment, building conditions, and space deficiencies forms the basis for the Educational Facilities Needs Assessment. And, that, too, has to be conducted every five years -- that's by DOE; it's designed to highlight the most severe facilities' deficiencies and also to support the prioritization of capital projects.

The last Educational Facilities Needs Assessment was in 2019, so the five-year deadline is up this year. So, again, we would ask because the -- keeping those LRPs and EF -- and any of the Educational Facilities Needs Assessment is so important to the continued advancement of the school construction program. So, we would ask you to exercise your oversight authority to make certain DOE is working to ensure that those are kept updated.

And, with the statewide Project Prioritization Plan that's also done every five years, we do know that update in enrollment information was used to make revisions to the plan in 2022 and again in 2024. We're not sure when another more rigorous, comprehensive review and reprioritization will be done, but the last really comprehensive one was in 2019, and, so, we think that information remains important as well.

I will just conclude by reminding us all that improving school conditions for low-income mostly Black and brown students in the state is both a constitutional and moral obligation. But, it also makes a lot of sense. I mean, there's research, a report that came out earlier this year: Updated facilities are linked to better learning environments; reduced absenteeism; improvements in student test scores. We know that money spent on school construction has an impact on New Jersey's economy. It generates jobs -- thousands of jobs -- and hundreds of millions of dollars in tax revenue.

This is an investment that pays off, both for the future of our children and for the economy. New Jersey should be proud of the program we have that has improved school conditions for many students.

But, there is much more to be done; there are students who are still waiting to be in safe and constitutionally adequate schools.

Education Law Center will provide whatever assistance you need. Please-- I'm happy to answer any questions today, or you can certainly reach out to us at any time.

Thank you.

ASSEMBLYWOMAN REYNOLDS-JACKSON: Thank you, Elizabeth.

That was very informative, and I think you do highlight some of the concerns that Assemblywoman Morales and Senator McKnight brought up in terms of how do we prioritize and strategically plan to help those districts in need.

And, I do think that every five years it does help. We have the research and the studies and the backing to support those projects. And, so, I think you bring up some really interesting needs that we need to continue to look at.

Mr. Da Silva, did you want to respond to anything that Elizabeth talked about?

MR. Da SILVA: I think the only thing is, as far as the strategic plan like ours, I know ours is on a five-year -- it's reflective of most recent discussions with districts, so we are live as far as the need goes.

I don't know if Greg has anything else to add. I know he's intimately involved in those discussions with the district and the updating of enrollments and then need in those districts.

ASSEMBLYWOMAN REYNOLDS-JACKSON: All right, well, thank you so much.

Does anyone else have any questions?

This was really, really informative. I think we have a breadth of information right now that we can continue to follow back up on and really kind of make sure that we look at the numbers. I think I heard some range in between \$30 million, 9,000 seats, and 50 buildings and 100-plus schools that we need to address.

So, we're going to continue to look and to have discussions about this, the school construction. I really thank everyone for being on the call today, and we'll have more discussions coming down the road. This is just really informative, and I want to thank everyone for your time and your expertise.

And, I think we'll conclude.

(MEETING CONCLUDED)