

**Biannual Report on the School Facilities
Construction Program**

June 2009

For the period
October 1, 2008 through March 31, 2009

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Table of Contents

| | |
|--|-----------|
| <u>I. INTRODUCTION</u> | 5 |
| <u>II. MEASUREMENT OF PROGRESS</u> | 7 |
| A) COMPLETED PROJECTS | 7 |
| B) SCHOOL OPENINGS AND COMPLETIONS | 8 |
| C) EMERGENT PROJECTS UNDERTAKEN BY SDA AS APPROVED BY DOE | 9 |
| D) ROD GRANTS | 9 |
| E) NEW CONSTRUCTION, DESIGN AND MANAGEMENT CONTRACTS | 9 |
| F) PROJECT CHARTERS | 11 |
| G) COST OF CONSTRUCTION PER SQUARE FOOT COMPARISON TO MSA | 11 |
| H) NUMBER OF SCHOOL FACILITY PROJECTS APPROVED BY DOE | 12 |
| I) NUMBER OF PROJECTS EXCEEDING FES | 13 |
| <u>III. ADVANCING GOVERNOR CORZINE'S ECONOMIC GROWTH STRATEGIES</u> | 15 |
| <u>IV. STEWARDSHIP OF PUBLIC DOLLARS</u> | 17 |
| A) RESULTS OF REVIEW ON STATUTORY INITIATIVES | 17 |
| B) DESIGN REVIEW PROCESS | 18 |
| C) AUDITS OF PROJECTS GREATER THAN \$10 MILLION | 18 |
| D) COST-RECOVERY EFFORTS | 18 |
| <u>V. ORGANIZATIONAL STRATEGIES AND INITIATIVES</u> | 20 |
| A) SMALL, MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE INITIATIVES | 20 |
| B) DESIGN-BUILD | 21 |
| C) TASK ORDERS | 22 |
| D) DELEGATION TO SDA DISTRICTS | 22 |
| E) REAL ESTATE GUIDANCE MANUAL | 23 |
| F) PROACTIVE COOPERATION WITH INSPECTOR GENERAL | 23 |

| | |
|--|-----------|
| VI. FINANCES | 24 |
| A) AGGREGATE PRINCIPAL AMOUNT OF BONDS | 24 |
| B) STATEMENT OF NEED TO ADJUST PRINCIPAL AMOUNT OF BONDS | 24 |
| C) CASH FLOW PROJECTIONS | 24 |
| VII. RECOMMENDATIONS FOR CHANGE | 26 |
| A) NEW STABLE FUNDING SOURCE | 26 |
| B) PREDICTABILITY FOR BUSINESSES | 26 |
| C) TOTAL PROJECT SYSTEMS REVIEW | 26 |
| D) ENVIRONMENTAL RESPONSIBILITY | 27 |
| APPENDIX A: REQUIREMENTS OF THE REPORT | 28 |
| APPENDIX B: PROJECT CHARTERS – VARIANCE DATA | 30 |
| APPENDIX C: CONTRACTS AWARDED – BY MINORITY/FEMALE | 34 |
| APPENDIX D: NUMBER OF MINORITY/FEMALE WORK-HOURS BY TRADE | 41 |
| APPENDIX E: BOND ISSUANCES | 43 |

I. Introduction

Following is the Biannual Report of the New Jersey Schools Development Authority (SDA) for the period October 1, 2008 through March 31, 2009. This report is submitted under the provisions of P.L. 2007, c. 137 (“The August 2007 legislation”), which established the SDA. The report requirements are attached as Appendix A.

The SDA operates under the Educational Facilities Construction and Financing Act (EFCFA) of 2000 and subsequent August 2007 legislative amendments. EFCFA provided initial program funding of \$8.6 billion, and then increased that funding by \$3.9 billion on July 9, 2008 upon Governor Jon S. Corzine’s approval of P.L. 2008, c. 39 (New Funding Legislation).

The program has an authorized total of \$12.5 billion, comprising \$8.9 billion for SDA (formerly known as Abbott) Districts and \$3.6 billion for Regular Operating Districts (RODs). Of the ROD funding, \$150 million is set aside for vocational schools.

Following the direction of Governor Corzine to take steps to mitigate the effects of a national economic downturn, the SDA is focused on accelerating projects in 2009 to simultaneously stimulate the economy and provide 21st century educational facilities for the students of New Jersey. The SDA is focused on advancing 27 projects to construction by the end of the year. The SDA will invest \$1.3 billion in these projects, creating or saving approximately 11,000 jobs over the duration of the projects.

Planning and preconstruction activity is underway for all of the 52 projects in the Capital Plan. The SDA also is moving expeditiously on emergent projects to address health-and-safety needs throughout SDA Districts.

In addition, the SDA will shortly begin disbursing the grants authorized by the July 2008 legislation for ROD projects. As with the original ROD allocation, these grants fund at least 40 percent of eligible project costs, with the remaining share coming from local communities, contingent on budget or voter approval. The Department of Education (DOE) prioritized projects that will specifically address health-and-safety concerns as well as overcrowding, early childhood education and special education needs. RODs were approved for \$180 million in State funding for projects in the initial round, with hundreds of millions more expected to be approved in a second round of funding this summer.

The SDA continues to apply the stringent controls and efficiencies implemented during the Corzine administration to ensure school construction is accomplished effectively and affordably. These accountability measures give the SDA the ability to deliver safe, modern schools on time and within budget as it seeks to provide an economic stimulus. One key accountability measure is the Project Charter initiative. Project Charters, developed by Project Teams, establish the budget, scope and schedule of a project at the outset. Board members’ approval of the project budget must be obtained before design

and construction can begin. Board approval is required on significant variances from the budget and members are notified on all other changes. Another key measure is the Design Review process used for adopted projects whose designs had become outdated while awaiting new funding, ensuring that taxpayer dollars are spent on appropriately sized schools meeting current educational need.

II. Measurement of Progress

This section provides an overview of SDA progress in delivering modern and efficient schools that improve learning environments and provide greater opportunity for the children of New Jersey. The key metrics by which SDA and its stakeholders measure performance and deliverables are:

- Projects completed since the inception of the program
- School completions and openings
- Emergent projects
- ROD grants
- New construction, design and management contracts
- Project charters (*data on project cost and schedule*)
- Cost of construction per square foot
- School facilities projects approved by DOE
- Projects exceeding Facilities Efficiency Standards

A) Completed projects

The majority of SDA school completions occur in August, coordinating delivery of schools with the beginning of the school year. During the reporting period, there were two SDA District school completions, both in December 2008: Elizabeth's Juan Pablo Duarte – José Julián Martí School No. 28 and Camden's Early Childhood Development Center No. 25. Seventeen Section 13 grant projects also were completed for SDA District-managed projects under the former per-project cap of \$500,000.

| SDA Project Completions (Inception through 3/31/09) | |
|--|------------|
| SDA DISTRICTS | |
| New Schools | 46 |
| Extensive Additions/Renovations/Rehabilitations | 41 |
| Other Rehabilitation Projects | 21 |
| Health-and-Safety Projects | 354 |
| Section 13 Grants for SDA District-Managed Projects | 139 |
| Demonstration Projects | 3 |
| TOTAL SDA DISTRICT PROJECTS | 604 |

| ROD DISTRICTS | |
|---|-----------|
| New Schools | 4 |
| Extensive Additions/Renovations/Rehabilitations | 15 |
| TOTAL ROD DISTRICT PROJECTS (managed by SDA) | 19 |

As of March 31, 2009, the SDA had 17 active construction projects in SDA Districts, three active demonstration projects and an additional eight projects ongoing in RODs. In addition, preconstruction activity is under way for the 52 projects in the 2008 New Funding Allocation and Capital Plan for SDA Districts.

B) School openings and completions

The SDA forecasts the opening of 12 schools in September 2009 and seven schools in January 2010. The 12 projects in 2009 include nine in SDA Districts and three in RODs. These projects will result in 6,163 new student seats.

| SDA Anticipated School Openings | | | |
|--|----------------------|---|---|
| District | District Type | Project | Construction Type |
| September 2009 Openings | | | |
| Barnegat Twp. | ROD | Lillian M. Dunfee E.S. | Addition and Rehab of Existing Facility |
| Barnegat Twp. | ROD | Robert L. Horbelt E.S. | Addition and Rehab of Existing Facility |
| Bridgeton | SDA | Bridgeton Senior H.S. Media Center | Addition/Renovation |
| Camden | SDA | Dudley E.S. | New Construction |
| Camden | SDA | H.B. Wilson E.S. | New Construction |
| Egg Harbor City | ROD | Charles L. Spragg E.S. | Addition and Rehab of Existing Facility |
| East Orange | SDA | Performing Arts School | New Construction |
| Newark | SDA | Park School | New Construction |
| Orange | SDA | Park Avenue E.S. | Addition/Renovation |
| Perth Amboy | SDA | Early Childhood Center II | New Construction |
| Union City | SDA | Union City High School and Athletic Complex | New Construction |
| W. New York | SDA | Number 2 E.S. | Rehab of Existing Facility |
| January 2010 Openings | | | |
| Buena Regional | ROD | New Middle School | New Construction |
| East Orange | SDA | New E.S. Number 5 | New Construction |
| Newark | SDA | Speedway Avenue E.S. | New Construction |
| Orange | SDA | Lincoln Avenue E.S. | Addition and Rehab of Existing Facility |
| Passaic City | SDA | New E.S. at Main Ave. | New Construction |
| Paterson | SDA | Roberto Clemente K-1 Center | New Construction |
| W. New York | SDA | Number 3 E.S. | New Construction |

C) Emergent projects undertaken by SDA as approved by DOE

Emergent projects are necessary for health-and-safety reasons for the expeditious rehabilitation of schools in SDA Districts. Emergent projects, which are approved by DOE and transmitted to the SDA, address the repair or replacement of roofs; windows; exterior masonry; water infiltration; heating and cooling systems; plumbing, electrical, mechanical and security systems; and other conditions.

The SDA is undertaking and delegating 141 projects identified as emergent by the DOE. Of that total, 90 have been delegated so far to SDA Districts, which will oversee and manage them to completion. Using SDA funds, the district is responsible for making the payments to consultants and contractors that it procures to perform the work.

Forty other projects are being managed by the SDA. The remaining 11 projects are pending DOE review as of the end of this reporting period. The 2008 Capital Plan reserved \$57 million for these emergent projects as well as an allocation of \$40 million for future emergent projects.

D) ROD grants

The Legislature included \$1 billion in the New Funding Legislation for ROD grants. School districts are eligible to receive at least 40 percent of eligible project costs. For a school facilities project to be considered for grant funding, the proposed scope of work must be 100 percent eligible for State support. These funds are being used to prioritize vital projects, specifically those that address health-and-safety concerns as well as overcrowding, early childhood education and special education needs.

In March 2009, RODs were approved for \$180 million in State funding for projects in the initial round, with hundreds of millions more expected to be approved in a second round of funding this spring. Funds were pending budget or voter approval by the local districts.

More information on the Grant Program for School Facilities Projects in Regular Operating Districts is available on the DOE Web site at:

www.state.nj.us/education/facilities.

| ROD Grant Totals (Inception through 3/31/09) | |
|---|-----------------|
| Number of Grants Executed | 2,629 |
| Number of Schools Impacted | 1,461 |
| Number of Districts Impacted | 485 |
| Total State Share | \$2,215,544,425 |
| Total ROD Grant Project Costs | \$7,106,949,481 |

E) New construction, design and management contracts

Companies received a Notice to Proceed (NTP) from the SDA for two design contracts, one construction management contract and 11 construction contracts during the reporting

period. Included among the 11 construction projects were five demolition contracts. The charts below list projects that were given approval to proceed during the reporting period.¹

| Construction Contracts | | | | |
|-------------------------------|--|--|-----------------|---------------------|
| District | Description | Contractor | NTP Date | Award Amount |
| Paterson | Roberto Clemente Annex - Demolition | LVI Environmental Services Inc. T/A Mazzocchi/LVI Wrecking, Inc. | 10/6/08 | \$151,250 |
| Egg Harbor | Egg Harbor Township H.S. Addition/Renovation | Sambe Construction Co. | 10/16/08 | \$26,172,173 |
| Irvington | H.S. - Emergent HVAC Repairs | Hall Building Corporation | 10/30/08 | \$250,000 |
| Neptune | Midtown Community E.S. – Emergent Repairs to Detention Basin | D&K Construction Co. | 11/25/08 | \$69,500 |
| Jersey City | ECC No. 13 - Demolition | Tricon Enterprises, Inc. | 12/24/08 | \$780,209 |
| Camden | Camden H.S. Window Repairs | The Bedwell Company | 1/13/09 | \$153,000 |
| Camden | Morgan Village M.S. Rebid | Chanree Construction Co., Inc. | 1/14/09 | \$20,997,000 |
| Egg Harbor City | New E.S./M.S. | Tamburro Bros. Construction Co. | 1/21/09 | \$15,160,480 |
| Plainfield | Clinton E.S. – Demolition Site work, Parking & Playground | D&K Construction Co. | 1/21/09 | \$948,948 |
| Pemberton | Pemberton ECC – Demolition, Remediation, Site Imp | USA Environmental Mgmt. | 2/19/09 | \$183,450 |
| Elizabeth | Victor Mravlag School No. 21 - Demolition | Luzon, Inc. | 3/25/09 | \$72,425 |

¹ In an effort to advance Capital Plan projects expeditiously, the SDA is amending architect agreements to restart contracts that were previously suspended. All projects have undergone a Governor-mandated design review process by the SDA and DOE. Projects now require differing levels of revision dependent upon the phase achieved when previously suspended, applicable code updates and incorporation of recommendations from the DOE and SDA. During the reporting period, five projects received a design restart.

| Design Contracts | | | | |
|-------------------------|--------------------|-----------------------|-----------------|---------------------|
| District | Description | Firm | NTP Date | Award Amount |
| Jersey City | ECC No. 14 | DMR Architects | 10/15/08 | \$1,539,989 |
| Camden | Camden H.S. Façade | Watson & Henry Assoc. | 10/28/08 | \$668,325 |

| Construction Management Contracts | | | | |
|--|------------------------------|-------------------|-----------------|---------------------|
| District | Description | Contractor | NTP Date | Award Amount |
| Paterson | New E.S. at Marshall & Hazel | Bovis Lend Lease | 2/25/09 | \$1,450,000 |

F) Project charters

Project charters, developed by Project Teams, establish the budget, scope and schedule of a project. The project team concept ensures collaboration, including stakeholders who are critical to the process of meeting performance benchmarks.

Board members' approval of the project budget and schedule must be obtained before design and construction can begin. Board approval is required on significant variances, as determined by the SDA Operating Authority and notified of all other changes. Variance reports are made available to the public prior to their consideration at a Board meeting.

During the reporting period, the SDA Board approved five variances: three resulting in increases, two in decreases. The net change in project costs was \$4,025,681, an increase of less than 3 percent (see Appendix B).

As of March 31, 2009, the SDA Board has approved 57 project charters for fully-funded projects in SDA Districts and 13 in RODs. Of those charters, 23 are from the 2008 Capital Plan.

G) Cost of construction per square foot comparison to MSA

To address 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 Metropolitan Statistical Areas (MSAs), the SDA subscribes to specific statistical data reports from McGraw-Hill Dodge Construction Reports.

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

In addition to using the OMB's definitions of MSAs and to broaden comparisons of SDA projects with cost per square foot of other relevant projects, the SDA has supplemented

its review with a recognized national-construction data source – the School Planning and Management 2009 Annual School Construction Report – as well as information from the School District of Philadelphia and 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.

The table below provides a comparison of cost per square foot for new school construction (public and private schools) within the Philadelphia and New York MSAs. For the period from October 1, 2008 through March 31, 2009, the MSA comparative cost per square foot was measured by cost-at-bid award.

| Metropolitan Statistical Area (MSA) Totals | | | | |
|---|--------------------|--------------------------|----------------------|--------------------|
| Cost Per Square Foot Comparison At-Bid-Award - Statistical Brief | | | | |
| Source | Area | Elementary School | Middle School | High School |
| SDA Managed Projects (October 2008 - March 2009 Actual) | Statewide | N/A | \$234 [^] | N/A |
| McGraw-Hill Metropolitan Statistical Area (MSA) Schools (October 2008 - March 2009) | Philadelphia | \$207 | \$227 | N/A |
| | New York | \$583 | N/A | N/A |
| National Clearing House for Educational Facilities (McGraw-Hill Dodge Reports) by State Average (January - December 2008) | Pennsylvania | N/A | N/A | N/A |
| | New York | \$210 | N/A | N/A |
| | New Jersey | \$224 | \$245 | \$217 |
| School Planning & Management by State Average (January - December 2008) | NY, NJ, PA Average | \$242 | \$208 | \$273 |
| Philadelphia School District (4 th Quarter Actual - 2008) | Philadelphia | \$202 | N/A | N/A |
| New York City School Construction Authority (July 2007 - June 2008) | New York City | \$368* | N/A | \$397* |
| <i>The table represents a statistical cross-section of data from numerous sources with report dates ranging from July 2007 to March 2009. Costs are at time of bid award.</i> | | | | |
| <i>*Numbers reflect the New York City Mayor's Management Report September 2008 for costs at completion, excluding budgeted change-order contingency of 10 percent.</i> | | | | |
| <i>[^]Cost at Bid for an SDA District Middle School (Morgan Village Middle School, Camden) and an SDA-Managed ROD Middle School (Egg Harbor City Middle School).</i> | | | | |

H) Number of school facility projects approved by DOE

From October 1, 2008 through March 31, 2009, the DOE approved 614 projects. Only two of these projects, both of which are for emergent conditions, are in SDA Districts.

Those districts are Pemberton Township and Asbury Park. The remaining 612 projects are in RODs and qualify for grant funding or debt-service aid through the DOE.

I) Number of projects exceeding FES

As part of the approval process for a school facilities project requiring educational adequacy review, DOE’s Office of School Facilities conducts a review of the project for compliance with the Facilities Efficiency Standards. The review occurs whether SDA Districts or RODs are involved. If a submitted project includes ineligible spaces exceeding the facilities standards, DOE must determine whether these ineligible spaces can be State-funded pursuant to N.J.S.A. 18A:7G-5g and N.J.A.C. 6A:26-3.3. If these spaces are found ineligible for State funding, the district may either amend its submission so that the school facilities project meets the standards, or agree to locally fund any ineligible spaces.

Spaces used for noneducational purposes are ineligible, as is any facility, building or structure used solely for administrative purposes. Spaces are also ineligible if greater in size than the facilities standards would support, although the DOE may approve space for State funding in certain circumstances.

| Projects Exceeding Facilities Efficiency Standards (FES) | | | | |
|---|--|--|---|--|
| Approval Totals: October 1, 2008 to March 31, 2009 | | | | |
| | Total School Facilities Projects Approved | Required Educational Adequacy/ FES Review | Projects Requiring Educational Adequacy/RES Review & Exceeding the FES | % of Projects Requiring Educational Adequacy/FES Review and Exceeding the FES |
| All Districts | 614 | 35 | 2 | 5.71% |
| SDA Districts | 2 | 0 | 0 | 0 |
| RODs | 612 | 35 | 2 | 5.71% |

Detail on Projects Exceeding FES

| District | School | Project Approval Date | Type of Project | Gross Square Feet (GSF) Exceeding the FES | Spaces Approved Above the FES | Ineligible Space (GSF) | Ineligible Space |
|---------------------------|------------------------------|-----------------------|-----------------|---|-------------------------------|------------------------|--|
| Woodstown-Pilesgrove Reg. | New Woodstown Middle School | 08-Dec-08 | New | 40,971 | None | 40,971 | Exceeds GSF available for unhoused students: Oversized or greater number than necessary for student population of multiple spaces. |
| Edgewater | New George Washington School | 04-Feb-09 | New | 44,375 | None | 44,375 | Exceeds GSF available for unhoused students: Oversized or greater number than necessary for student population of multiple spaces. |

III. Advancing Governor Corzine's Economic Growth Strategies

On October 16, 2008, amid a deepening recession, Governor Corzine outlined an economic assistance and recovery plan for New Jersey, with investment in public infrastructure projects as its cornerstone. At the Governor's direction, the SDA developed a plan in December to accelerate the repair and replacement of schools throughout the state that would stimulate economic growth as well as invest in the future of New Jersey's schoolchildren.

Last year's unemployment figures underscore the importance of the SDA's efforts. As a result of the national recession, New Jersey lost 85,700 total jobs, including 14,600 in construction, from December 2007 through December 2008. Economists anticipate that unemployment figures will continue to increase at least through the end of 2009.

To counter the economic downturn, New Jersey is using existing financial resources to create demand and employment opportunities for its residents while investing in the long-term viability of our infrastructure.

The SDA is advancing into preliminary or full-scale construction at least 27 projects in SDA Districts. These include 22 projects funded through the new 2008 allocation, along with five projects from the prior funding allocation. The projects advancing into construction in 2009 include such schools as the Lorraine Place Elementary School in Keansburg. This \$43 million project is significant because, to cope with long-term overcrowding, trailers have been used to house students there since 1988. Today, 11 trailers remain on site. Additional accelerated projects will advance to replace the antiquated Oliver Street and South Street schools in Newark. Oliver Street Elementary School, built in 1869, is one of Newark's most crowded schools. Classes are conducted in substandard spaces, including hallways, the auditorium's balcony and closet-sized rooms.

The SDA's acceleration plan calls for committing \$1.3 billion to school projects in SDA Districts. It includes \$725 million in statewide project expenditures within the 2009 calendar year.

In addition, hundreds of millions of dollars will be invested in ROD school projects during 2009, including State grants and a share from local communities. Under this program, the State's share for ROD projects will be at least 40 percent of eligible costs, with the remaining 60 percent funded by local districts. In March 2009, grants totaling \$180 million were announced, with more awards to follow. Execution of grants is contingent on either district operating budget approval by voters, passage of local referendum, or proof of capital reserve funding.

The school construction program's overall stimulus effects were analyzed by Rutgers University in July 2008. It was found that investing \$5.4 billion in the state's schools could support or create more than 46,000 jobs over a five-year period.

The SDA program created or saved more than 4,500 jobs in March 2009, with figures expected to increase as project acceleration plans take firmer hold. The March jobs report includes the creation of 701 new jobs. It also includes the preservation of 2,337 jobs that may not have existed if not for the overall school construction program. An additional 1,519 jobs are estimated to have been indirectly created or saved.

IV. Stewardship of Public Dollars

To ensure the proper stewardship of New Jersey residents' tax dollars, the SDA continues its efforts toward accountability and efficiency.

Significantly, the SDA submitted a report reviewing potential cost savings through the use of standardized design elements, components and construction materials.

It also continued work with DOE on a design review process to evaluate designs on projects that in many cases were at least three years old. The SDA seeks the optimal balance of achieving cost savings while minimizing schedule impacts and ensuring that design promotes ease of construction.

The SDA is working closely with the Office of the State Comptroller toward the statutorily required establishment of an audit program for projects greater than \$10 million.

The SDA continues to aggressively pursue cost-recovery actions in cases of design errors and omissions, and project delays, as well as to recover environmental remediation costs.

A) Results of review on statutory initiatives

The July 2008 legislation providing new funding for the SDA required the Authority to conduct a study on the achievement of potential cost savings through the use of standardized design elements, components and construction materials. The study was required to review ways to save design time, facilitate construction inspections, and ensure ease of maintenance through:

- standardized building details
- bulk supply agreements with original manufacturers
- consistent preventive maintenance protocols to ensure building components and systems function at maximum efficiency and lifespan

The report was submitted April 1, 2009 to the Governor, the Joint Budget Oversight Committee, the President of the Senate, the Speaker of the General Assembly and the Commissioner of Education. To view the full report, please visit the SDA Web site at www.njsda.gov under the Reports/Policies/Regulations section.

The SDA will be implementing a pilot initiative as a result of one strategy identified by the study, a hybrid “kit of parts” approach. Such an approach will provide both standardization and flexibility by offering the project team the opportunity to select from a set of model design elements for certain areas of a school, including classrooms, cafeterias, gymnasiums and science labs. Standardizing components and details will allow for developing these elements carefully, proving them in the field, and then applying them to individual projects as appropriate. This strategy will reduce design time,

encourage more predictable components, enhance project quality and benefit project budget and schedule.

B) Design review process

Upon adoption of the Capital Plan in July 2008, it became apparent that a review of many projects was necessary. Many projects had designs that were three years old or more. In that time, many districts had seen student population shifts and established new educational program priorities. A process was required to ensure that taxpayer dollars are spent on appropriately sized schools and current educational needs.

During the reporting period, the SDA and DOE continued a process initiated in August 2008 that included DOE's review of educational program alignment, the SDA's planning process and SDA's review of designs to identify cost-containment opportunities.

Preliminary reviews are complete. Evaluations continue as the SDA seeks the optimal balance of achieving cost savings while minimizing schedule impacts and ensuring that design promotes ease of construction. Core teams for individual projects are meeting. Schedules have been developed and the SDA is negotiating with design consultants.

C) Audits of projects greater than \$10 million

The 2008 New Funding Legislation directs the SDA, in consultation with the State Comptroller, "to cause an audit to be conducted of any school facilities project that has a State share that exceeds \$10 million."

The SDA has consulted extensively with the Office of the State Comptroller toward establishment of an audit program that will ensure that the financial expenditure of the new bond funds is prudent, in keeping with best practices and subject to adequate controls.

It is anticipated that the statutorily mandated audit program will be finalized within the next few months.

D) Cost-recovery efforts

Taxpayers should not have to pay for mistakes made by architects, contractors and other professionals hired by the state. The SDA evaluates the circumstances surrounding an apparent error or omission and seeks restitution when appropriate. The SDA will mediate such disputes whenever possible but is prepared to litigate when necessary to protect the interests of New Jersey taxpayers.

Cost-recovery actions may be pursued in cases in where design errors and omissions have occurred, where delays are caused by the general contractor, and to recover environmental remediation costs. Also, change orders are screened for potential liability as a matter of standard operating procedure and referred to the Office of Chief Counsel, when appropriate, for possible cost recovery.

Significantly, the SDA recently settled litigation against its project architect and engineer on an elementary school in Irvington and reached resolution through mediation with its general contractor on a project in Trenton. The SDA will receive \$6.9 million as a result of these settlements. The SDA is investigating approximately 15 other instances of design errors and/or omissions, totaling more than \$4 million.

The SDA's Office of Chief Counsel is aggressively and continuously assessing liquidated and other damages from those parties responsible for school facilities projects deemed unreasonably delayed. For example, in one instance in which a general contractor was responsible for more than a year's delay to a project, the SDA has assessed more than \$400,000 in damages and has initiated the collection process. The SDA will continue to evaluate the performance of contractors responsible for providing goods and services and assess the appropriate back-charges where necessary.

Recovery of funds from responsible parties for the costs of environmental remediation of project sites remains an additional area in which the Authority is currently initiating legal actions.

To fully investigate and prosecute these matters, the SDA's Environmental Cost Recovery Initiative Team coordinates among Legal, Real Estate, Environmental and Project Management staffs. The team worked to identify the full inventory of school projects that involved environmental site remediation and determined those projects which qualified for recovery under the New Jersey Spill Compensation and Control Act, possible claims under the Landfill Closure Act and for natural resource damages. Upon completion of the inventory, the team prioritized it and began to coordinate the filing of new complaints for recovery with the Office of the Attorney General. Over the last year, the SDA filed two new actions and recovered damages in two matters. In total, the SDA recovered nearly \$1 million since the last report. Including the recently filed actions in formal litigation, the SDA is pursuing the recovery, in the aggregate, of more than \$9.5 million across four separate matters. Additionally, the SDA has forwarded to the Office of the Attorney General six matters for consideration with a total of \$10 million.

V. Organizational Strategies and Initiatives

A) Small, Minority and Women-owned Business Enterprise initiatives

The SDA works under a state mandate to award a minimum of 25 percent of all contracts to Small Business Enterprises (SBEs). The SDA has consistently exceeded that target by a significant amount.

| Contract Awards to Small Business Enterprises (10/1/08-3/31/09) | |
|--|--------------|
| Total SDA Contracts | \$72,374,324 |
| Total SBE Contracts | \$23,981,803 |
| Percentage of SDA Contracts Awarded to SBEs | 33.14% |

The SDA recognizes that its percentage of awards for Minority and Women Business Enterprises (M/WBE) is equally important and continues to aggressively encourage M/WBE participation on every school project. See Appendix C for more details.²

| Contract Awards to Minority-owned Business Enterprises (10/1/08-3/31/09) | | |
|---|------------------------|---------------------------------------|
| Category | Contract Awards | Percent of Total SDA Contracts |
| African-American | \$326,096 | 0.45% |
| Hispanic | \$220,702 | 0.30% |
| Asian | \$32,000 | 0.04% |
| Minority-owned total | \$578,798 | 0.80% |

Of 55 contracts to prime contractors and subcontractors during the reporting period, three went to African-American-owned firms, three went to Hispanic-owned firms and one went to an Asian-owned firm.

Seven of the 55 contracts went to women-owned business enterprises, all of which were SBEs, representing \$947,199 (1.3%) of total SDA contracts in the reporting period. One of the seven enterprises was a minority woman-owned firm.

In its annual report recently released by the Department of Treasury's Division of Minority and Women Business Development, the SDA was listed as the top State agency in awarding contracts to MWBEs. SDA awarded \$713.2 million worth of contracts, representing 40.2 percent of the statewide total of \$1.77 billion.

² Senators Ronald L. Rice, Sandra B. Cunningham and Dana Redd have sponsored Senate bill S1601, which would require the inclusion of the number of school facilities project construction contracts entered into between the Authority and Minority and Women contractors during the reporting period. The information would 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 development authority. The SDA fully meets these proposed requirements in its Biannual Reports.

In the aggregate, the SDA exceeded targets for percentages of workforce hours performed by minority workers. Hours for minority workers were 23.35 percent of the total, compared to the average target of New Jersey's various counties, which is 21 percent. However, work hours for females on SDA projects represented 1.17 percent of the total, below the 6.9 percent participation goal used in each New Jersey County. County targets are set by the state Treasury Department, based on U.S. Census data. It should be noted that there was significant and consistent minority participation in various trades, including laborer, bricklayer/mason, painter, plumber and roofer. The 6.9 percent county goal for female workers was exceeded in many trades. For example, HVAC mechanics in Camden County had 18.26 percent female participation, and in Passaic County, electricians had 32.28 percent female participation. See Appendix D for more details.

The SDA is committed to increasing the number of minorities and females working on its construction jobs through its Construction Trades Training Program for Women and Minorities (CTTP). The program is in its seventh year.

The SDA has set aside a total of \$18 million for minority and women worker programs to provide outreach and training to these SDA District residents. The program falls under the August 2007 legislation establishing the SDA and had been previously authorized under the Treasury State Administrative Code, which allowed the SDA to dedicate to the CTTP initiative 0.5 percent of construction dollars from projects valued at \$1 million or more. Currently, the SDA finances and oversees the CTTP through the NJ Department of Labor and Workforce Development.

Union apprenticeship placement numbers across the state have been dramatically affected by the economic downturn, resulting in a large number of unemployed union members. In response, the SDA is working to efficiently redirect some CTTP resources toward intensified case management and placement services. This program shift is expected to help increase successful placements in both union apprenticeships and construction-related employment for current CTTP graduates.

B) Design-Build

In February, the SDA approved regulations to implement a pilot "design-build" program, allowing the Authority to accelerate projects that otherwise would not advance this year. The program supports Governor Corzine's mandate to stimulate the economy and help mitigate the effects of the recession.

The program differs from the traditional approach of bidding out projects by allowing the SDA to contract with one firm for both design and construction of the school facilities project. Because design-build allows for overlap of the design and construction processes, it is faster than the traditional approach, which involves retaining an architect to design the project, then bidding out the construction contract.

Design-build involves a two-step selection process. A Request for Qualifications (RFQ) outlines the scope of the project and solicits responses outlining firms' qualifications. A Request for Proposals (RFP) then is issued to a "short list" of firms, based on their responses to the RFQ. A committee of SDA and school district officials will select the proposal that provides the best value, based on price and other factors.

A key element of the design-build program will be semiannual reviews by an independent outside auditor. Also, the program takes advantage of previously completed designs through use of what is known as a "bridging architect." It also uses a construction manager to help guarantee quality design and construction standards. Contractual agreements will include a Guaranteed Maximum Price, ensuring budget constraints are met.

C) Task orders

The SDA's Task Order process saves time by having a pool of firms preapproved to accomplish emergent work on an expedited process. With preapproved pools, design professionals or contractors can be on the job in less than a week.

The use of task-order design and task-order construction is targeted for expediting emergent projects, which deal with health and safety. Approximately 40 emergent projects, with a total project value of \$24 million, will go through task-order assignments.

The selection processes are accomplished through competitive bidding. The design task-order procurement, awarded in March 2009, resulted in the selection of five firms for an 18-month term through September 2010.

The general-contractor task-order assignments are due to end June 30, 2009. The next procurement is under way and will be for a one-year duration.

D) Delegation to SDA districts

Pursuant to the August 2007 legislation establishing the SDA, the Authority is required, in consultation with the DOE Commissioner, to adopt rules and regulations regarding the delegation of management of school facilities projects to SDA Districts. For SDA Districts deemed eligible by the DOE Commissioner, the SDA is required to evaluate their capacity to manage projects or portions of them, considering the District's experience, as well as a project's size, complexity, cost, time constraints and other factors.

The SDA and DOE have worked closely to develop their respective rules. It is anticipated that both sets of rules will be published for public comment before the end of the next reporting period.

The law also requires the SDA, in consultation with the DOE Commissioner, to develop and implement training programs, seminars or symposia to provide technical assistance to SDA Districts deemed to lack the capacity for project management.

The Authority continues to work toward the development of a variety of training programs for Districts. These programs will use in-house expertise as well as Web-based and formal seminars hosted by experts in various technical fields. Topics will range from verifying vendor prequalification to understanding the requirements of the SDA's Design Manual.

E) Real Estate Guidance Manual

This summer, the SDA will publish the Real Estate Guidance Manual to its Web site. The manual will discuss best practices, explaining the steps and processes that the SDA follows before a school project is funded for design and construction, focusing on the site planning, site selection, preconstruction and land acquisition phases. The manual is the culmination of lessons learned over the last five years and the adoption of best practices to help address many of the challenges associated with land acquisition in New Jersey's older cities.

This manual applies specifically to all public school construction projects managed by the SDA. However, many of the concepts and best practices included in the manual are considered applicable to school site selection and development programs in general.

F) Proactive cooperation with Inspector General

The SDA continues its commitment to eliminate any potential for waste in the school construction program. Accordingly, the SDA's cooperation continues with the Office of the Inspector General (OIG).

A Memorandum of Understanding (MOU) continues in effect and governs the relationship between the OIG and the Authority. Since their assignment in 2006, two Assistant Inspectors General (AIGs) continue to be located at the Authority's West State Street offices. The AIGs review and investigate the Authority's operations and processes on an ongoing basis and have full and complete access to all SDA records. As necessary, the AIGs conduct interviews and otherwise interface with entities doing business with SDA, as well as with SDA staff. The OIG Hotline, established at the SDA for staff members and others to use to report suspected waste or wrongdoing, remains operational.

The SDA maintains its commitment to achieving complete transparency in all of its operations and processes. The Authority also continues to implement recommendations made by the OIG. For instance, pursuant to an OIG recommendation, signage appears at all SDA construction sites, providing the OIG Hotline number and encouraging the public to contact the Hotline to report suspicions of waste, fraud or abuse in connection with the use of school construction funds. The Authority's CEO continues to engage in ongoing and regular communication with the Inspector General and, in that process, to refer to the OIG matters requiring investigation and follow-up.

VI. Finances

A) Aggregate principal amount of bonds

In 2000, EFCFA provided for a total of \$8.6 billion of New Jersey Economic Development Authority (EDA) School Facilities Construction Bonds to fund DOE-approved school facilities projects throughout the State. In July 2008, an additional \$3.9 billion in EDA bonds was approved for a total of \$12.5 billion. Of the \$12.5 billion, \$8.9 billion is allocated for the 31 SDA Districts and \$3.6 billion for RODs, including \$150 million for vocational schools.

In January 2009, the EDA issued \$175 million of School Facilities Construction Bonds. Through March 31, 2009, the EDA had issued \$7,545,929,000 of the \$12.5 billion of bonds authorized by EFCFA. Further financing activity generally will coincide with future cash flow requirements for already-committed projects.

Appendix E provides a listing of all School Facilities Construction Bonds issued through the reporting period.

B) Statement of need to adjust principal amount of bonds

The July 2008 funding authorization of \$2.9 billion for SDA Districts has been fully allocated to build 52 projects and to provide a reserve fund to be used for emergent projects and unforeseen events. The original \$6 billion allocation to the SDA Districts has also been fully committed. The need for school facilities far exceeds the \$8.9 billion allocated for SDA Districts to date.

The Long Range Facilities Plans (LRFPs) filed by SDA Districts identified a need for approximately 300 additional school construction projects. The cost for this work, as estimated by the districts, is conservatively estimated to be in the range of \$15 billion to \$20 billion. However, the need for facilities extends beyond New Jersey's urban districts to the suburbs. Based on district-provided estimates included in LRFPs with approved status, representing approximately three-quarters of RODs, the cost is estimated in the range of \$10 billion.

C) Cash flow projections

The SDA forecasts that it will spend \$482,983,958 between April 1 and September 30, 2009. The SDA has a balance of \$1.1 billion remaining on existing contracts, much of which is due to be paid in the upcoming reporting period. There are also 762 Section 15 grants to RODs that have not been fully expended; such grants are paid in increments as projects attain milestones.

Projected Expenditures by Cost Category
4/1/09 – 9/30/09

| Cost Category | Projected Expenditures |
|-----------------------------------|-------------------------------|
| Construction Management | \$ 9,985,418 |
| Land Acquisition/Site Feasibility | \$ 21,087,171 |
| Design | \$ 28,512,259 |
| Construction | \$ 197,286,744 |
| Technology | \$ 1,000,000 |
| Furniture, Fixtures and Equipment | \$ 9,946,003 |
| District Grants | \$ 100,005,057 |
| Demonstration Project Grants | \$ 84,122,239 |
| Program Disbursements (SDA Costs) | \$ 20,500,000 |
| Other* | \$ 10,539,066 |
| Total | \$ 482,983,958 |

Other costs include insurance payments, bond issuance costs, Department of Community Affairs permit fees, interagency payments, safety service provider fees, legal and related services, and miscellaneous and advertising fees.

VII. Recommendations for Change

A) New stable funding source

The July 2008 authorization of \$3.9 billion in new funding was a critical step toward addressing the need for safe, modern schools for New Jersey students and providing an economic stimulus to help mitigate the effects of this economic downturn. With the conservatively estimated need of \$15 billion to \$20 billion in SDA Districts and \$10 billion in RODs, as determined in 2005 Long Range Facilities Plans, funding will have to be addressed again in the future. Following the \$3.9 billion authorization, the Legislature passed a resolution that would change how school facilities projects are funded in the future, accentuating the need for the State to implement a comprehensive strategic plan to address long-term funding needs. The SDA welcomes the opportunity to discuss strategies with the Legislature and work with members in partnership.

B) Predictability for businesses

The SDA has made great strides in reducing the number of contract amendments and change orders for design and construction. Yet, even with this success, some school construction projects require contracts to be modified to respond to emerging circumstances and unexpected conditions. Currently when this occurs, the SDA employs a time-consuming, multi-departmental negotiation, which delays projects and confuses the private businesses that support its school development efforts. To accelerate resolution of these matters, ensure predictability for businesses and carefully guard taxpayer dollars, the SDA will initiate a streamlined review process. This process will maintain the multi-departmental checks and balances but integrate the review by those departments into one collaborative effort.

C) Total project systems review

The SDA is developing a plan to present to its Board regarding institution of total building commissioning for all new school facilities projects. Total building commissioning is a process whereby the performance of each system in meeting a building's operational needs can be verified and documented. The U.S. Department of Energy describes commissioning as "the process of ensuring that systems are designed, installed, functionally tested, and capable of being operated and maintained according to the owner's operational needs."

Total building commissioning strives to ensure the performance of all essential elements of the school facility. It includes all major functional components of the building, including its structural elements, exterior enclosure system, roofing system, life safety elements, security system, elevators, plumbing and technology systems. Successful commissioning includes the training of operation and maintenance personnel, as well as the preparation of manuals and teaching tools to support that training.

The SDA further recommends potential legislation requiring District facilities staff to undergo continuing education to ensure they have the most up-to-date information and

expertise to operate and maintain their new 21st century facilities and systems.

D) Environmental responsibility

The SDA currently builds each new school to LEED (Leadership in Energy and Environmental Design) certifiable standards as established by the U.S. Green Building Council (USGBC). It now intends to further that commitment to providing high-performance, sustainable schools. The SDA is preparing to seek actual Silver Certification for projects that are entering the design phase. This step will permit outside experts to verify that each project, when complete, has achieved the SDA goal of environmental efficiency and sustainability.

In addition, the SDA is exploring various options for Districts to participate in renewable energy programs for their schools. Unfortunately, the SDA does not have funds to provide all forms of renewable energy components that a district may desire. However, additional funding streams may be available to Districts for energy upgrades through President Obama's American Reinvestment and Recovery Act (ARRA). Following Governor Corzine's direction, and working with New Jersey's Congressional delegation, the SDA is compiling information on the various funding options directly available to Districts. The SDA will proactively notify Districts regarding potential eligibility for certain ARRA funds, bond programs and other public and private initiatives for renewable energy.

Appendix A: Requirements of the Report

Requirements of the Biannual Report

35. Section 24 of P.L.2000, c.72 (C.18A:7G-24) is amended to read as follows:

C.18A:7G-24 Biannual report on school facilities construction program.

24. The development authority, in consultation with the State Treasurer, the financing authority, and the commissioner, shall biannually submit to the Governor, the Joint Budget Oversight Committee, the President of the Senate and the Speaker of the General Assembly a report on the school facilities construction program established pursuant to the provisions of this act. The report shall be submitted no later than June 1 and December 1 of each year and shall include, but not be limited to, the following information for the prior six-month period: the number of school facilities projects approved by the commissioner pursuant to section 5 of P.L.2000, c.72 (C.18A:7G-5); the number of projects undertaken and funded by the development authority; the aggregate principal amount of bonds, notes or other obligations issued by the financing authority for the State share of construction and renovation of school facilities and whether there is a need to adjust the aggregate principal amount of bonds, notes or other obligations authorized for issuance pursuant to subsection a. of section 14 of P.L.2000, c.72 (C.18A:7G-14); the number of approved projects which exceeded the facilities efficiency standards, the components of those projects which exceeded the standards, and the amount of construction by individual districts and Statewide estimated to have exceeded the standards; and recommendations for changes in the school facilities construction program established pursuant to this act which have been formulated as a result of its experience with the program or through collaboration with program stakeholders.

In addition, the biannual report shall include a comparison of the costs of school facilities projects undertaken and funded by the development authority to similar school facilities projects constructed in the New York City Metropolitan Statistical Area and the Philadelphia Metropolitan Statistical Area as defined by the United States Department of Labor. The development authority shall include in the report an explanation of the methodology used in making the comparison

Appendix B: Project Charters – Variance Data

SDA District Project Charters

| District | School Name | Board Approved | | Approved Revised | | Revised Date | Variance Description |
|-----------------|--|----------------|-----------------|------------------|-----------------|--------------|--|
| | | Budget | Completion Date | Budget | Completion Date | | |
| Bridgeton | Bridgeton Senior H.S. Media Center | \$7,341,828 | Feb-09 | | | | |
| Burlington City | Burlington City H.S. | \$55,004,237 | Sep-09 | | | | |
| Camden | Dudley E.S. | \$42,836,505 | Jun-09 | | | | |
| Camden | Early Childhood Development Center #25 | \$46,448,404 | Dec-08 | | | | |
| Camden | H.B. Wilson E.S. | \$33,610,565 | Nov-08 | | | | |
| Camden | Morgan Village M.S. | \$41,101,653 | Jan-11 | \$36,497,376 | Jun-10 | Jan-09 | Revised to reflect final budget upon award of construction. |
| Camden | New Lanning Sq. ES | \$44,802,249 | Jun-13 | | | | |
| East Orange | Campus 9 | \$4,000,000 | Sep-08 | | | | |
| East Orange | Mildred B. Garvin MicroSociety School | \$24,892,348 | Jul-08 | | | | |
| East Orange | New E.S. #5 | \$42,164,836 | May-09 | | | | |
| Elizabeth | New Pre K-8 #27 | \$52,699,441 | Aug-08 | | | | |
| Elizabeth | New Pre K-8 #28 | \$59,230,350 | Nov-08 | | | | |
| Elizabeth | Number 21 Victor Mravlag E.S. | \$31,850,458 | Apr-09 | \$36,650,458 | Aug-10 | Nov-08 | Increased to reflect additional costs for unforeseen structural issues and the discovery of additional asbestos. |
| Elizabeth | New Academic Magnet H.S. | \$101,427,053 | Jun-13 | | | | |
| Garfield | James Madison E.S. #10 | \$30,402,468 | Jun-12 | | | | |
| Gloucester City | New Middle School | \$66,248,598 | Jun-13 | | | | |
| Hoboken | Thomas Connors E.S. | \$35,522,997 | Nov-11 | | | | |
| Jersey City | Number 34 E.S. | \$10,360,015 | Sep-08 | | | | |
| Jersey City | New ECC #3 | \$22,018,644 | Jun-12 | | | | |
| Jersey City | New E.S. #3 | \$47,877,377 | Jun-12 | | | | |
| Jersey City | New ECC #13 | \$25,656,443 | Jan-12 | | | | |
| Jersey City | New ECC #14 | \$22,006,352 | Aug-12 | | | | |
| Jersey City | New P.S. #20 | \$55,543,890 | Jun-12 | | | | |
| Keansburg | New Lorraine Place E.S. | \$42,071,084 | Aug-11 | | | | |
| Long Branch | New Elberon E.S. | \$46,573,786 | Sep-11 | | | | |
| Neptune | H.S. Aux Gymnasium | \$6,681,181 | Aug-09 | | | | |
| Neptune | Neptune-Midtown Community School | \$77,935,020 | Jul-08 | | | | |
| New Brunswick | New Chester Redshaw E.S. | \$45,637,524 | Jun-11 | | | | |
| New Brunswick | Paul Robeson E.S. | \$33,246,358 | Jun-12 | | | | |

| | | | | | | | |
|---------------|--|---------------|---------|---------------|--------|--------|---|
| Newark | Avon Ave (Emergent) | \$1,582,666 | Jul-08 | | | | |
| Newark | Elliott Street E.S. Replacement | \$47,715,766 | Jun-10 | | | | |
| Newark | New Central H.S. | \$107,428,394 | Jun-08 | \$108,428,394 | Jun-08 | Mar-08 | Increased to reflect additional costs to install artificial turf at the facility. Turf was approved because the field will be utilized by multiple districts. |
| Newark | Park School | \$50,665,262 | Jul-09 | | | | |
| Newark | Speedway Ave E.S. | \$48,851,897 | Jun-09 | | | | |
| Newark | Various Emergent Projects | \$27,203,134 | Various | | | | |
| Newark | New Oliver Street E.S. | \$79,341,148 | Apr-12 | | | | |
| Newark | New South Street E.S. | \$59,123,751 | Jul-12 | | | | |
| Newark | West Side H.S. | \$142,354,039 | Jun-13 | | | | |
| Orange | Lincoln Ave E.S. | \$48,153,403 | Jun-09 | | | | |
| Orange | Park Ave E.S. | \$35,319,600 | Nov-08 | | | | |
| Passaic City | New E.S. at Henry Street | \$53,711,798 | Apr-10 | | | | |
| Passaic City | New E.S. at Main Ave | \$55,660,264 | Sep-09 | | | | |
| Paterson | International H.S. Academy | \$55,299,445 | May-08 | | | | |
| Paterson | Number 24 ES | \$27,298,210 | Oct-7 | \$30,186,210 | Aug-08 | Mar-09 | Increased to reflect additional costs for issues related to the smoke evacuation system. |
| Paterson | Roberto Clemente E.S. / K-1 Center | \$3,207,003 | Feb-09 | | | | |
| Paterson | New E.S. @ Marshall St. | \$57,915,577 | Jul-11 | | | | |
| Paterson | New P.S. #16 | \$71,693,336 | Jul-14 | | | | |
| Pemberton | New ECC | \$33,594,487 | Oct-10 | | | | |
| Perth Amboy | Early Childhood Center II | \$30,098,786 | Jan-09 | \$32,698,786 | Jul-09 | Dec-08 | Increased to reflect additional costs for electronic security and IT infrastructure work not included on the General Contractor's original scope of work. |
| Phillipsburg | New H.S. | \$174,409,184 | Feb-12 | | | | |
| Plainfield | Emerson E.S. | \$38,928,253 | Aug-08 | \$40,028,253 | Aug-08 | Jun-08 | Increased to reflect additional costs for IT infrastructure work not included in the General Contractor's original scope of work. |
| Plainfield | Clinton E.S. – Phase II (Parking & Play Space) | \$1,778,250 | Jan-09 | | | | |
| Trenton | MLK/Jefferson E.S. | \$ 68,171,286 | May-10 | | | | |
| Union City | New Columbus E.S. | \$60,032,124 | May-11 | | | | |
| Vineland | New M.S. #2 | \$36,937,466 | Mar-11 | | | | |
| West New York | Number 2 E.S. | \$29,906,800 | Jan-09 | | | | |
| West New York | Number 3 E.S. | \$62,751,396 | Sep-08 | | | | |

**Highlighted projects reflect variances in this reporting period.*

Regular Operating District Project Charters

| District | School Name | Board Approved | | Approved Revised | | Revision Date | Variance Description |
|---------------------|--------------------------|----------------|-----------------|------------------|-----------------|---------------|---|
| | | Budget | Completion Date | Budget | Completion Date | | |
| Barneгат | Cecil S. Collins E.S. | \$2,295,760 | Jun-08 | | | | |
| Barneгат | High School Addition | \$11,537,685 | Jun-08 | | | | |
| Barneгат | Horbelt E.S. | \$4,916,513 | Jan-09 | | | | |
| Barneгат | Lillian M. Dunfee E.S. | \$9,277,794 | Jan-09 | | | | |
| Barneгат | New Elementary School | \$17,666,746 | May-08 | | | | |
| Barneгат | Russell O. Brackman M.S. | \$15,636,261 | Feb-08 | | | | |
| Buena Regional | New M.S. | \$21,948,035 | Oct-09 | | | | |
| Cumberland Regional | Cumberland Regional H.S. | \$25,833,632 | Sep-08 | | | | |
| Egg Harbor City | Charles L. Spragg E.S. | \$1,787,580 | Aug-09 | | | | |
| Egg Harbor City | New M.S. | \$16,009,653 | Jun-10 | \$14,351,611 | Jun-10 | Mar-09 | Revised to reflect final budget upon award of construction. |
| Egg Harbor Township | Egg Harbor Township H.S. | \$42,016,563 | Jun-10 | | | | |
| Greater Egg Harbor | New H.S. | \$54,983,443 | Jun-10 | | | | |
| Greater Egg Harbor | Oakcrest H.S. Auditorium | \$751,051 | Mar-08 | | | | |

**Highlighted project reflects variance in this reporting period*

Appendix C: Contracts Awarded – By Minority/Female

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|---|-----------------|---------------------------------|--|------------|--------------------|-----------------------|---------------------|---------|--------|-----------|---------|--------|--------------------|---------------|----------|---------|
| CA-0010-C01 | Primary | Chanree Construction Co., Inc. | | 1/14/09 | New construction | | \$20,997,000 | | | | | | | | | |
| | Subcontractor | AGP & Sons, Inc. | 29 Roney St. Toms River, NJ 08753 | | Plumbing | Plumbing | | | | | | | \$700,000 | 3.33% | | |
| | | BW Electrical Services, LLC | 239 Homestead Rd. Hillsborough, NJ 08844 | | Electrical | Electrical | | | | | | | \$2,775,000 | 13.22% | | |
| | | Cirignano Contracting, Inc. | 750 W. California Ave Absecon, NJ 08201 | | Painting | Painting | | | | | | | \$141,000 | 0.67% | | |
| | | Epic Mechanical | 3320 Rt. 66 Neptune, NJ 07753 | | HVAC/ Plumbing | HVAC | | | | | | | \$2,600,000 | 12.38% | | |
| | | JJ Highgate Construction, Inc. | 113 Kresson-Gibbsboro Rd. Voorhees, NJ 08043 | | Concrete | Concrete | | | | | | | \$117,950 | 0.56% | | |
| | | Lewandowski Construction Indus. | PO Box 127 Atco, NJ 08004 | | Site & Excavation | Site Work | | | | | | | \$665,000 | 3.17% | | |
| | | Northeast Stage, LLC | 620 Park Ave. Freehold, NJ 07728 | | Equipment Supplier | Stage Equipment | | | | | | | \$100,000 | 0.48% | | |
| Total for CA-0010-C01 Morgan Village M.S. - Camden | | | | | | | \$20,997,000 | | | | | | \$7,098,950 | 33.81% | | |
| CA-0021-A01 | Primary | Watson & Henry Associates | | 10/28/08 | Design | Façade Replacement | \$668,325 | | | | | | \$668,325 | 100% | | |
| Total for CA-0021-A01 Camden H.S. - Camden | | | | | | | \$668,325 | | | | | | \$668,325 | 100% | | |
| EP-0001-C01 | Primary | Hall Building Corporation | | 10/30/08 | Expedited Pool | HVAC Repair | \$250,000 | | | | | | | | | |
| Total for EP-0001-C01 Irvington | | | | | | | \$250,000 | | | | | | | | | |
| EP-0002-C01 | Primary | D&K Construction Co., Inc. | | 11/25/08 | Expedited Pool | | \$69,500 | | | | | | | | | |

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|---|-----------------|--|---|------------|-------------------------|------------------------|------------------|---------|--------|-----------|-----------------|---------------|------------------|---------------|----------|---------|
| | Subcontractor | Silverlands Services, Inc. | 4475 S. Clinton Ave. South Plainfield, NJ | | Site Work, Landscaping | Site Work, Landscaping | | | | | | | \$40,000 | 57.55% | | |
| Total for EP-0002-C01 Midtown Community School - Neptune | | | | | | | \$69,500 | | | | | | \$40,000 | 57.55% | | |
| EP-0003-C01 | Primary | Bedwell Company | | 1/13/09 | Expedited Pool | | \$153,000 | | | | | | | | | |
| | Subcontractor | Guthrie Glass & Mirror, Inc. | 1402 Doughty Road Egg Harbor Twp., NJ 08234 | | Glass & Glazing | Glass & Glazing | | | | | \$ 56,640 | 37.02% | | | | |
| Total for EP-0003-C01 Camden H.S. - Camden | | | | | | | \$153,000 | | | | \$56,640 | 37.02% | | | | |
| ET-0007-J01 | Primary | D & K Construction Co., Inc. | | 1/21/09 | Demolition | | \$948,948 | | | | | | | | | |
| | Subcontractor | Altec Electrical Corp. T/A Altec Bldg. Systems Corp. | 906 Atlantic Avenue Point Pleasant, NJ | | Electrical | Electrical | | | | | | | \$52,000 | 5.48% | | |
| | | Silverlands Services, Inc. | 4475 S. Clinton Avenue South Plainfield, NJ | | Site Work, Landscaping | Site Work, Landscaping | | | | | | | \$440,000 | 46.37% | | |
| Total for ET-0007-J01 Clinton E.S. - Plainfield | | | | | | | \$948,948 | | | | | | \$492,000 | 51.85% | | |
| ET-0087-C02 | Primary | Sambe Construction Co., Inc | | 10/16/08 | New construction | | \$26,172,173 | | | | | | | | | |
| | Subcontractor | Acme /Lingo flagpoles | 1865 Rt. 206 Southampton, NJ 08088 | | Flagpole | Flagpole | | | | | | | \$3,833 | 0.01% | | |
| | | Affordable Fire Protection | 590 Hamilton Avenue Linwood, NJ 08221 | | Sprinklers | Sprinklers | | | | | | | \$225,000 | 0.86% | | |
| | | Bryant Caulking & Waterproofing | 714 West Branch Avenue Pine Hill, NJ 08021 | | Waterproofing, Caulking | Waterproofing | | | | | \$ 34,350 | 0.13% | | | | |

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|---|-----------------|---|--|------------|-------------------------|-------------------------|---------------------|---------|--------|-----------|------------------|--------------|--------------------|---------------|----------|---------|
| | | C.J. Schmidt & Sons, Inc. | 2535 Haddonfield Road Pennsauken, NJ 08110 | | Plumbing | Plumbing | | | | | | | \$899,100 | 3.44% | | |
| | | Envision Consultants, Ltd. | PO Box 536 Mullica Hill, NJ08062 | | Project Mgmt. | Project Mgmt. | | | | | \$ 15,100 | 0.06% | | | | |
| | | Epic Mechanical, Inc. | 3320 Route 66 Neptune, NJ 07753 | | HVAC & Plumbing | HVAC | | | | | | | \$2,915,000 | 11.14% | | |
| | | G. Fiorese Tile and Terrazzo, Inc. | 361 Garrison Road Millville, NJ 08332 | | Tile & Terrazzo | Tile & Terrazzo | | | | | | | \$209,000 | 0.80% | | |
| | | J.V. Palmonari, Inc. | 1234 Tuckahoe Road Milmay, NJ 08340 | | Steel | Steel | | | | | | | \$2,691,625 | 10.28% | | |
| | | Jersey Arch. Door & Supply | 722 Adriatic Avenue Atlantic City, NJ 08901 | | Doors, frames, Hardware | Doors, frames, Hardware | | | | | \$275,000 | 1.05% | | | | |
| | | Ninsa, LLC t/aNinsa Vinyl Fence | 208 Passmore Avenue Hammonon, NJ 08037 | | Fencing | Fencing | | | | | | | \$9,900 | 0.04% | | |
| | | NJ Landscape Concepts | 2507 Broad Lane Williamstown, NJ 08094 | | Landscaping | Landscaping | | | | | | | \$10,000 | 0.04% | | |
| Total for ET-0087-C02 Egg Harbor Township H.S. - Egg Harbor Twp. | | | | | | | \$26,172,173 | | | | \$324,450 | 1.24% | \$6,963,458 | 26.61% | | |
| ET-0097-C01 | Primary | Tamburro Bros. Const. Co., Inc. | | 1/21/09 | New construction | | \$15,160,480 | | | | | | | | | |
| | Subcontractor | AGP & Sons, Inc. | 29 Rency Street Toms River, NJ 08753 | | HVAC & Plumbing | Plumbing | | | | | | | \$511,302 | 3.37% | | |
| | | Atlantic City Aerial & Commercial Photography | 43 B Central Square Linwood, NJ 08221 | | Photography | Job Photos | | | | | \$ 4,109 | 0.03% | | | | |

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|---|-----------------|---------------------------------|---|------------|-----------------------------|-------------------------|---------------------|-----------------|--------------|-----------|------------------|--------------|--------------------|---------------|----------|---------|
| | | Center Metal Fabricators | PO Box 29 Hammonton, NJ 0837 | | Windows & Glazing | Alum Windows & Glazing | | | | | \$362,000 | 2.39% | | | | |
| | | G.M. White Elec. Contr., Inc. | 2554 N. Delsea Drive Vineland, NJ | | Electrical | Electrical | | | | | | | \$2,692,900 | 17.76% | | |
| | | Halpern & Sons, Inc. | 843 King Georges Road Fords, NJ 08863 | | Supplier | Hardware/ Wood doors | | | | | | | \$143,000 | 0.94% | | |
| | | NIC Construction LLC | PO Box 1044 Monroeville, NJ 08343 | | Cold Form/Metal Framing | Cold Form/Metal Framing | | | | | | | \$1,064,590 | 7.02% | | |
| | | R & P Construction of N J, Inc. | 235 F Route 73 West Berlin, NJ 08091 | | Ceilings & Panels | Ceilings & Panels | | | | | | | \$155,000 | 1.02% | | |
| Total for ET-0097-C01 New E.S. - Egg Harbor City | | | | | | | \$15,160,480 | | | | \$366,109 | 2.41% | \$4,566,792 | 30.12% | | |
| GP-0106-R02 | Primary | Consolidated Risk Solutions | | 12/30/08 | Insurance Broker | | \$3,850,000 | | | | | | \$2,416,667 | 62.77% | | |
| | | West Insurance Group | | | | | | \$75,000 | 1.95% | Black | | | | | | |
| Total for GP-0106-R02 Insurance Broker - OCIP | | | | | | | \$3,850,000 | \$75,000 | 1.95% | | | | \$2,416,667 | 62.77% | | |
| JE-0028-P02 | Primary | Tricon Enterprises, Inc. | | 12/24/08 | Abatement/site Improvements | | \$780,209 | | | | | | \$445,209 | 57.06% | | |
| | | JR Construction Co., Inc. | 710 Elm Street Kearny, NJ 07032 | | Restoration | Restoration | | | | | | | \$235,000 | 30.12% | | |
| | | Pernaco, Inc. | 2546 Andria Court NJ 08004 | | Asbestos Removal | Asbestos Removal | | | | | | | \$65,000 | 8.33% | | |
| | | Pollo's Trucking | 541 Jauncey Avenue North Arlington, NJ | | Trucking | Trucking | | \$35,000 | 4.49% | Hispanic | | | | | | |
| Total for JE-0028-P02 ECC #13 - Jersey City | | | | | | | \$780,209 | \$35,000 | 4.49% | | | | \$745,209 | 95.51% | | |
| JE-0039-A01 | Primary | DMR Architects | | 10/15/08 | Design/Archit. | Architecture | \$1,539,989 | | | | | | \$617,843 | 40.12% | | |

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|--|-----------------|-----------------------------------|--|------------|------------------------------------|---------------------------------------|--------------------|------------------|---------------|-----------|---------|--------|------------------|---------------|------------------|---------------|
| | Subcontractor | Concord Engineering Group | 570 South Burnt Mills Road Voorhees, NJ 08043 | | HVAC/ Plumbing, Fire Protection | HVAC/ Plumbing, Fire Protection | | | | | | | \$247,565 | 16.08% | | |
| | | Concoast Associates, Inc. | 50 11th Avenue Newark, NJ 07107 | | Landscape Archit. Surveys | Landscape Archit. Surveys | | \$51,096 | 3.32% | Black | | | | | | |
| | | Medina Consultants, P.C. | 110 Valley Brook Avenue Lyndhurst, NJ 07071 | | Estimating | Cost Estimating | | \$182,454 | 11.85% | Hispanic | | | | | | |
| Total for JE-0039-A01 ECC #14 - Jersey City | | | | | | | \$1,539,989 | \$233,550 | 15.17% | | | | \$865,408 | 56.20% | | |
| PA-0004-P01 | Primary | LVI Enviro T/A Mazzocchi/LVI | | 10/6/08 | Demolition Remediation | Street Demolition | \$151,250 | | | | | | | | | |
| | Subcontractor | Consolidated Steel & Alum. | 316 North 12th Street Kenilworth, NJ 07033 | | Fencing | Fencing | | \$3,248 | 2.15% | Hispanic | | | | | | |
| | | JMS Visual Comm. | 1666 Rt. 206 Vincentown, NJ 08088 | | Video Communication | Video Comm. | | | | | | | | | | |
| Total for PA-0004-P01 New Roberto Clemente - Paterson | | | | | | | \$151,250 | \$3,248 | 2.15% | | | | | | | |
| PA-0006-M01 | Primary | Bovis Lend Lease LMB, Inc. | | 2/25/09 | Construction Mgmt. | | \$1,450,000 | | | | | | | | | |
| | Subcontractor | Atlantic Engineering Laboratories | 41 Murray Street Rahway, NJ 07065 | | Testing | Independent Testing | | | | | | | \$125,000 | 8.62% | | |
| | | M.Z.M. Construction Co., Inc. | 105 Lock Street Newark, NJ 07103 | | Project Mgmt. | Field Supervision | | | | Black | | | | | \$200,000 | 13.79% |
| Total for PA-0006-M01 Paterson | | | | | | | \$1,450,000 | | | | | | \$125,000 | 8.62% | \$200,000 | 13.79% |
| WT-0001-J01 | Primary | USA Environmental Mgmt., Inc. | | 2/19/09 | Demolition | Demolition | \$183,451 | | | | | | | | | |

| Contract ID | Contractor Type | Contractor | Address | Award Date | Discipline | Discipline on Project | \$ Awarded | \$ SMBE | % SMBE | Ethnicity | \$ SWBE | % SWBE | \$ SBE | % SBE | \$ SMWBE | % SMWBE |
|--|-----------------|-------------|---------|------------|-------------------|-----------------------|------------------|-----------------|---------------|-----------|---------|--------|--------|-------|----------|---------|
| | Subcontractor | Luzon, Inc. | | | Site Improvements | Site Improvements | | \$32,000 | 17.44% | Asian | | | | | | |
| Total for WT-0001-J01 Pemberton E.C.C. - Pemberton Twp. | | | | | | | \$183,451 | \$32,000 | 17.44% | | | | | | | |

| | | | | | | | | | | | | | | | | |
|---------------|--|--|--|--|--|--|---------------------|------------------|--------------|--|------------------|--------------|---------------------|---------------|------------------|--------------|
| Totals | | | | | | | \$72,374,325 | \$378,798 | 0.52% | | \$747,199 | 1.03% | \$23,981,809 | 33.14% | \$200,000 | 0.28% |
|---------------|--|--|--|--|--|--|---------------------|------------------|--------------|--|------------------|--------------|---------------------|---------------|------------------|--------------|

| | | |
|----------------------------------|---------------------|---------------|
| Total Contract \$ Awarded | \$72,374,325 | |
| TOTAL SMBE \$ | \$378,798 | 0.52% |
| TOTAL SWBE \$ | \$747,199 | 1.03% |
| TOTAL SBE \$ | \$23,981,809 | 33.14% |
| TOTAL SMWBE \$ | \$200,000 | 0.28% |
| TOTAL | \$25,307,806 | 34.97% |

| | | | |
|----------------------------------|-----------------|---------------------|--------------|
| Total Contract \$ Awarded | | \$72,374,325 | |
| ETHNIC BREAKDOWN | ASIAN | \$32,000 | 0.04% |
| | BLACK | \$326,096 | 0.45% |
| | HISPANIC | \$220,702 | 0.30% |
| TOTAL ** | | \$578,798 | 0.80% |

** The total for ethnic breakdown includes SMBE, MBE and SMWBE \$ Totals.

| | | | |
|----------------------------|-----------|----------|--|
| TOTAL MBE (non SBE) | \$ | - | |
| TOTAL WBE (non SBE) | \$ | - | |

MBE (Non-SBE) Minority Business Enterprise which exceeds SBE limit of \$28,500,000

WBE (Non-SBE) Women Business Enterprise which exceed SBE limit of \$28,500,000

Appendix D: Number of Minority/Female Work-Hours by Trade

SBE - Number of Minority/Female Work-Hours by Trade

| Trade | Total W/H | Minority W/H | Female W/H | Minority % Work Hours | Female % Work Hours |
|---------------------|----------------|----------------|--------------|-----------------------|---------------------|
| Asbestos Worker | 7,098 | 4,412 | 0 | 62.16 | 0.00 |
| Bricklayer or Mason | 127,998 | 23,459 | 1,440 | 18.33 | 1.13 |
| Carpenter | 136,170 | 22,436 | 367 | 16.48 | 0.27 |
| Caulker | 229 | 229 | 0 | 100.00 | 0.00 |
| Concrete Finisher | 216 | 0 | 0 | 0.00 | 0.00 |
| Electrician | 105,720 | 13,275 | 3,418 | 12.56 | 3.23 |
| Elevator Mechanical | 626 | 96 | 0 | 15.34 | 0.00 |
| Fireproofers | 408 | 88 | 0 | 21.57 | 0.00 |
| Glazier | 16,945 | 3,314 | 0 | 19.56 | 0.00 |
| HVAC Mechanic | 20,225 | 2,588 | 440 | 12.80 | 2.18 |
| Insulator | 8,903 | 1,358 | 822 | 15.25 | 9.23 |
| Ironworker | 25,145 | 2,615 | 237 | 10.40 | 0.94 |
| Laborer | 176,676 | 83,252 | 1,217 | 47.12 | 0.69 |
| Operating Engineer | 19,379 | 1,782 | 370 | 9.20 | 1.91 |
| Other 1 | 1,284 | 125 | 20 | 9.74 | 1.56 |
| Painter | 8,388 | 1,902 | 0 | 22.68 | 0.00 |
| Pile Driver | 68 | 28 | 0 | 41.18 | 0.00 |
| Pipe Fitters | 257 | 0 | 0 | 0.00 | 0.00 |
| Plumber | 67,292 | 9,556 | 742 | 14.20 | 1.10 |
| Prime | 8,788 | 2,714 | 0 | 30.88 | 0.00 |
| Roofer | 21,446 | 5,664 | 0 | 26.41 | 0.00 |
| Sheet Metal Worker | 32,152 | 7,192 | 35 | 22.37 | 0.11 |
| Sprinkler Fitter | 19,470 | 2,263 | 496 | 11.62 | 2.55 |
| Steam Fitter | 371 | 115 | 0 | 31.00 | 0.00 |
| Surveyor | 264 | 31 | 16 | 11.74 | 6.06 |
| System Engineer | 76 | 12 | 0 | 15.79 | 0.00 |
| Taper | 14,439 | 3,531 | 0 | 24.45 | 0.00 |
| Tiler | 2,737 | 286 | 0 | 10.45 | 0.00 |
| Truck Driver | 604 | 22 | 0 | 3.64 | 0.00 |
| Waterproofers | 744 | 88 | 0 | 11.83 | 0.00 |
| Total | 824,118 | 192,433 | 9,620 | 23.35% | 1.17% |

Appendix E: Bond Issuances

New Jersey Schools Development Authority
Bond Issuances - EDA School Facilities Construction Bonds
Fiscal Years 2001 – 2009

| Fiscal Year | Issue Date | Series | Restricted | Bond Denomination | Principal Amount of Bonds Issued |
|--------------------|-------------------|---------------|-------------------|--------------------------|---|
| 2001 | 04/02/01 | A | | \$5,000 | \$ 500,000,000.00 |
| | | | | | \$ 500,000,000.00 |
| 2002 | 12/28/01 | B | QZAB | \$5,000 | \$ 8,600,000.00 |
| | | | | | \$ 8,600,000.00 |
| 2003 | 10/16/02 | C | | \$5,000 | \$ 600,000,000.00 |
| 2003 | 12/30/02 | D | QZAB | \$5,000 | \$ 29,400,000.00 |
| 2003 | 03/14/03 | E | QZAB | \$5,000 | \$ 7,929,000.00 |
| | | | | | \$ 637,329,000.00 |
| 2003 | 08/07/03 | F | | \$5,000 | \$ 600,000,000.00 |
| 2003 | 01/23/04 | G | | \$5,000 | \$ 650,000,000.00 |
| 2003 | 05/18/04 | H | | \$5,000 | \$ 300,000,000.00 |
| | | | | | \$ 1,550,000,000.00 |
| 2005 | 08/31/04 | I | | \$5,000 | \$ 250,000,000.00 |
| 2005 | 08/31/04 | J | | \$5,000 | \$ 500,000,000.00 |
| 2005 | 04/06/05 | L | | \$5,000 | \$ 150,000,000.00 |
| 2005 | 04/06/05 | M | | \$5,000 | \$ 500,000,000.00 |
| | | | | | \$ 1,400,000,000.00 |
| 2006 | 10/04/05 | O | | \$5,000 | \$ 750,000,000.00 |
| 2006 | 12/15/05 | P | | \$5,000 | \$ 175,000,000.00 |
| 2006 | 12/21/05 | Q | | \$5,000 | \$ 500,000,000.00 |
| | | | | | \$ 1,425,000,000.00 |
| 2007 | 11/02/06 | R | | \$5,000 | \$ 500,000,000.00 |
| 2007 | 11/02/06 | S | | \$5,000 | \$ 100,000,000.00 |
| | | | | | \$ 600,000,000.00 |
| 2008 | 10/04/07 | T | | \$5,000 | \$ 500,000,000.00 |
| 2008 | 10/04/07 | U | | \$5,000 | \$ 300,000,000.00 |
| 2008 | 06/03/08 | X | | \$5,000 | \$ 250,000,000.00 |
| 2008 | 06/03/08 | Y | | \$5,000 | \$ 200,000,000.00 |
| | | | | | \$ 1,250,000,000.00 |
| 2009 | 01/29/09 | Z | | \$5,000 | \$ 175,000,000.00 |
| | | | | | \$ 175,000,000.00 |
| Total | | | | | \$ 7,545,929,000.00 |

Refunding Bonds

(No bond proceeds to SDA except to pay for certain bond issuance costs)

| Year | Issue Date | Series | | Bond Denomination | Principal Amount of Refunding Bonds |
|--------------|-------------------|---------------|--|--------------------------|--|
| 2005 | 01/27/05 | K | | \$5,000 | \$ 700,000,000.00 |
| 2005 | 05/23/05 | N | | \$5,000 | \$ 677,465,000.00 |
| 2008 | 04/30/08 | V | | \$5,000 | \$ 1,132,025,000.00 |
| 2008 | 04/30/08 | W | | \$5,000 | \$ 455,940,000.00 |
| Total | | | | | \$ 2,965,430,000.00 |

Notes:

- Pursuant to the provisions of the Educational Facilities Construction and Financing Act (C.18A:7G-14a), as amended, the aggregate principal amount of bonds, notes or other obligations the EDA may issue to finance school facilities projects, and the costs related thereto, shall not exceed \$12.5 billion. This limitation excludes indebtedness incurred for refunding purposes.
- Bonds may be sold or issued in any multiple of the bond denomination.