
Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS SCHOOL FACILITIES SUBCOMMITTEE

*“Testimony of Alfred T. McNeil, Chief Executive Officer of the
New Jersey Schools Construction Corporation”*

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: March 27, 2003
10:00 a.m.

MEMBERS OF SUBCOMMITTEE PRESENT:

Senator Martha W. Bark, Co-Chair
Assemblyman Craig A. Stanley, Co-Chair
Senator Ronald L. Rice



ALSO PRESENT:

Melanie M. Schulz
*Executive Director
Joint Committee on the Public Schools*

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ASSEMBLYMAN CRAIG A. STANLEY (Co-Chair): We'd like to call the meeting to order.

Maybe we can have a roll call.

MS. DeMARCO (Executive Assistant): Senator Rice.

SENATOR RICE: Here.

MS. DeMARCO: Senator Bark.

SENATOR MARTHA W. BARK (Co-Chair): Yes.

MS. DeMARCO: Assemblyman Stanley.

ASSEMBLYMAN STANLEY: Here.

Good morning. I'd just like to thank all of you for coming -- Al -- certainly thank the CEO of the School Construction Corporation for coming out and agreeing to provide us an update.

As you know, some months ago, we had a hearing that was conducted by the Assembly Education Committee, as well as, I believe, the Senate Education Committee, and the Joint Committee on the Public Schools. We were all party to a hearing that was, actually, supposed to give us an idea of where we were, with respect to school construction -- some of the issues that people were confronted with that were hampering the school construction efforts.

And one of the things that we said -- that we needed to get these issues resolved, as well as -- in an effort to ensure that we had shovels in the ground by spring. Well, gentlemen and ladies, it's spring, and we're -- we saw some shovels at UMDNJ, but I don't know they were the shovels we were looking for. (laughter) But I'm looking forward to the testimony that will give

us some assurance and some sense of where we are and how far along we are of where we need to be.

I'm delighted to have my colleagues from the upper room -- from the upper house, Senator Ron Rice and my Co-Chair of the School Facilities Subcommittee -- that is, Senator Martha Bark. We're very, very pleased to have both of them here.

I'd like to yield to Senator Bark for some opening remarks, if she--

SENATOR BARK: Thank you very, very much, Assemblyman Stanley. I appreciate it. It's certainly my pleasure to be here, and I'm looking forward to an update. And I'm delighted also that-- Although, I have to say, the weather is very appealing out there. I did wake up and think--

ASSEMBLYMAN STANLEY: We'll move the meeting outside.

SENATOR BARK: But the fact is, I'm looking forward to your report.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Senator Rice.

SENATOR RICE: Yes, I just want to say good morning to everybody and let you know that we have a series of questions for you. But prior to that, I just want to commend you on what I, personally, have observed of your individual efforts, and the team your putting together, and the progress that you will talk about this morning that many criticized. But that's because of the frustrations throughout the state about not knowing time frames for building schools and what has to be done. So we're here to listen this morning and ask questions.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Mr. Chairman.

ALFRED T. McNEIL: Thank you.

Is this on? (referring to PA microphone)

ASSEMBLYMAN STANLEY: Red means good.

MR. McNEIL: Red means good? (laughter) Okay. It must be the State House.

ASSEMBLYMAN STANLEY: It's a little bizarro. We've had a bizarro week here at the State House anyway.

MR. McNEIL: All right.

Thank you very much for inviting us here. We're delighted to be here.

With me today is the Director of Facilities for the Department of Education. So to the degree there are specific questions that had to do with the Department of Education's activities, Bernie Piaia, at the table, can certainly address those.

I think what I'll do is give you a, sort of, brief overview of what we've done since the last time I was in front of this Joint Committee, and then we'll open it to the questions that you may have.

The last time I was here, I was, sort of, explaining parts of the plan that we were evolving. I'm pleased to say that plan is finalized, that the budgeting and everything that was done to fit that plan has been put in place, and we're now starting to live that life. That means we're putting the organization in place to do the things that are necessary under that plan. It means that we're working hard to improve the relationships and, therefore, the performance of the Schools Construction Corporation, both with the other

State agencies, as well as with the local school districts. And part of the evidence of that is the ongoing meetings that we've set up with Bernie's group at DOE, including the very long-winded Saturday morning -- Saturday afternoon meeting that we had one day, which I appreciate -- there were about 40 people in the room. So people are, obviously, interested and doing their jobs well and teaming up. And we've had ongoing, periodic meetings beyond -- after that. So that process has begun, and we do have a very open dialogue with DOE.

We also set up a dialoguing process with the DEP, the Department of Environmental Protection, because there are a lot of things that they have to opine on that clearly impact our activities. I'm having ongoing discussions with our new Acting Attorney General that are proving very fruitful, because we need to make sure that we have procedures and policies in place that we can implement that are not high bound, that are allowing the process to work well. And I'm pleased to say that the Acting Attorney General is very active to help with that process, and he's been very forthcoming. So we're having some good relationships with the people inside the State, which I think is going to help -- is helping the program move better.

At the same time, as I mentioned to you the last time I was here, we had what I defined at that time as dysfunctional relationships with our -- what I consider our clients, which were the 30 Abbott districts. One way to deal with that was to regionalize our operation and set up regional offices in the locations where those districts exist. I'm pleased to report that we've now leased space in Newark, in Jersey City, and in West Paterson. And each of those offices is being set up with a regional manager, and there will be a fourth

regional manager for the south. But because that's so spread out, that office will be here in our location at 1 West State Street. So we'll actually have four regions, four regional managers, and they will report back to us here in Trenton.

That process is underway. We just are in the process of hiring the fourth regional manager. So all four managers will be in place. The offices will all be in place by approximately the first week or two of May. We'll make, obviously, announcements and have everybody well aware of when they're ready to open.

In the meantime, we've been, now, dialoguing with the school districts and the local municipalities to, sort of, build that relationship up. One of the things that we've done is to change the selection process for designers, which was very, very oriented toward Trenton and the State until recently -- meaning, specifically, that the committees who would make the selections, which were made up of five individuals, were weighted three from Trenton and two from the local district. We thought that was a little bit overbearing on the part of the State, so we've changed that now to committees of either three or five, depending on the project. But they're always weighted more heavily towards the local districts. So if it's three, there will be two from the local district, one from the State. If it's five, it will be three from the local district, two from the State.

So we're doing a number of things, and I think I'm starting to get some very positive feedback from a number of the local districts. I'm pleased that's happening. We obviously have some that we have to continue to work on, and we are.

We have a program set up this year to, basically, award 100 design commissions for new schools or major additions in 2003. That's a heck of a work load, but we're doing it. We're on track to do it right now. We have a schedule. If you came into my office, you'd see the schedule on the wall. We've already awarded 13. We've got 15 under consideration at the moment. And we're on track to hit that goal of 100 for the year. If we do that, I think we'll make some significant progress. We'll have a lot of youngsters in schools in 2005 and 2004 that probably weren't going to be there, the way the plan was before.

At the same time, on the construction side, we've got a program of slightly over 50 schools that we expect to break ground on this year. We have already broken ground on, I think, six or seven. We have 12 that are in the bidding process at the moment in various locations around the state. We've been emphasizing, in this effort, early childhood centers so that when you -- because that's, obviously, a key part of the program. So if you look at the projects that are just getting started that we've already awarded-- The two in Passaic are both early childhood centers. The one in Perth Amboy is an early childhood center. The one in Gloucester City is an early childhood center, etc. So we're moving on that basis, trying to focus on them first and trying to get that going. And I think we're having some good luck in that area and, hopefully, get these little 3- and 4-year-olds out of the temporary facilities and into real classrooms.

We have a goal on our -- and I think I mentioned it the last time I was here -- that we have had a lot of problems getting the land acquisition going. We have now put together a team that we think is more -- going to be

able to move that more quickly. And that team has got a goal this year of acquiring 40 sites. Each site usually takes anywhere from-- Obviously, it could be one piece of property, but that's pretty rare. It's usually somewhere -- five, six, eight, 10 properties. So you can see I've got a lot of transactions to take into account -- several hundred transactions this year. And we're on our way to do that. Those are all over the state.

And at the same time, that same group is leading what we call the predevelopment effort, which is to check the sites for environmental adequacy and make sure the school fits on the site that's been selected, and so forth. That's moving along pretty well. We're in the process, as we speak, of going out with task order contracts, which will give us the ability to move much more quickly to get this done.

We've had very good luck working with the Attorney General's office, developing the methodology to do that. And it's now out of the procurement stage. And I expect to have those task order predevelopment engineering and design firms on board within the next six to eight weeks. And that will be a great opportunity to speed up the program.

We have set up a program to move-- As I'm sure you all know, there is a portion of the Act that allows for six demonstration projects. We have set up a program now to move forward on those. We set some -- cleared up the regulations in our board meeting in December. We got that approved. In January, I sent out a letter to all of the mayors and superintendents to, sort of, get their antennas energized to get started on this, because if you read the Act carefully, we only have until June 30, 2004, to get this accomplished. We're trying to get them to tee up the ball and start swinging at it.

Right now, we have a meeting set up on April 15. We're going to use the facilities here at Thomas Edison College, where any of these Abbott districts who are interested in doing a demonstration project can come in. We can go step by step to make sure the process is clear and then get this process going so that we can work on the selection immediately. And we expect to have the six selected, I would expect, with 2003, at the end of the day. It may be December, 2003, but it will be 2003. So we meet and exceed the date that's required under the Act.

We've done a lot of work on the environmental side. I was a little bit crestfallen when I read this Coalition for Our Children's Schools, or whatever it's called, giving us an F on that basis. We have worked very hard on the environmental. We've set up a program to follow the Governor's executive order to put a LEADs program, for our energy efficiency and environmental standards, within the designs. Every single school that we do will have a -- will be qualified to get to the 26-point level, which is the bronze certification. In LEADs, there is no other school districts in the United States of America doing that. We're doing it. We've set up a program to do it. Every architect, when they sign on board, is mandated to do it under a contract. Every PMF, project management firm, that we have working for us is mandated to verify that that happened. So that's a real plus that-- I think that this State will be very, very proud of the schools that we're putting forth on that basis.

We have also -- and Bernie, to my immediate right, has had a lot to do with this -- set out a mandate that every school in the state that we build -- every new school that we build will have a radon evacuation system in it,

whether it's in Philipsburg, where you know you need it, or whether it's in Long Branch, where you probably don't need it because of the sandy condition. But I'm not going to-- It's too cheap to put in when you're building a school and too expensive to put in after you've built it. So we're going to put them in now.

We've set up a program to -- every school that we put in -- we're sizing the emergency generators so that we can use the gymnasium and the cafeteria as emergency shelter, should there be an emergency. You know, in this day and age, it's something, obviously, we all want to think about. This, clearly, is not mandated by anybody, but it's common sense. And, again, it's relatively nickels and dimes when you're doing it -- when you're building the program, because you're just, simply, sizing something a little bigger. It's relatively inexpensive.

We also have set about a program, now -- actually at the Governor's suggestion, which was a wonderful suggestion -- to make sure that we put sprinklers in certain areas of every school, even though they're not required by the codes, so we don't have this horrible thing that happened up at Seton Hall be repeated at our elementary and high schools.

We have now set up, as I told you earlier, a coordination effort with the Department of Environmental Protection. We're working very hard with them, and we're starting to build a pretty good relationship, I think. They're a little slow, but we're about to set in place a memorandum of understanding, where I'll get a little bit more dedicated help from them. And that should speed up the process so that we make sure we're not siting a school next to a hazardous waste dump or something like that. Because, you know,

these things can happen. And we certainly don't want that to happen. And we've got to work very hard to avoid that. The DEP has got all the necessary information to make that -- help us with that kind of a program.

We've made, I think, significant strides in improving the affirmative action activities of our organization. We now have, in fact, since we met last time, engaged a group to help smaller minority contractors become certified under our program. We've created a memorandum of understanding between ourselves and the New Jersey Small Business Development Council, who have offices in 13 locations around the state that are convenient to these people.

We'll actually -- as I think I used the term, the H and R Block approach, the last time I was here -- set it up that way. That's exactly the way we set it up. They can come in just like you give your income tax to somebody. They'll do it for you and have it set up.

We've been able to change the rules so that projects -- now the projects under \$200,000, we no longer have to require surety payment performance bond. That's consistent with what the rest of the state is doing. That's not what this organization was doing six months ago.

We've moved the position to-- We're out, currently, right now, with the request for proposals to the major surety and brokerage companies in our state, to develop a program where we'll have minority surety bonding capacity available for qualified -- without looking at their balance sheet -- but people who are good performers, have a good performance history, but may not have the financial capacity to earn a bond-- We're setting up this program where they can get a bond. And, obviously, we're paying to set the program

up, but the rest of it will be a normal business transaction, so the State's not really spending an enormous amount of money. But I think we'll get a wonderful result out of that.

So we're working pretty hard on all of these different areas. And I'm getting pretty excited about the fact that we're starting to move forward now. But I'm not going to wear my arm out patting myself on the back just yet, but we have certainly changed the format of what's going on. And we are clearly moving in the direction that is going to make things happen in a more positive way for the Abbott districts.

Now, as far as the non-Abbotts are concerned, we have a continuum of our grant program, which seems to be working rather well. I'm very pleased with some complimentary letters I've gotten about our staff's performance in help in these areas. That process was working pretty well the last time I was here. It's still working pretty well. We have committed, of the 2.5 billion that was assigned in the Act, we've committed out about half of it -- or offered out about half of it. We're not spending anywhere that much, because it gets spent over the process of their creating the projects. But you can assume that about 1.2 billion has been committed. We've, sort of, surveyed that, and I think we're right on track with that expenditure process.

As far as the health and safety on the Abbotts is concerned, that will largely be done this year, which is what I told you the last time we were together, and I'm still confident that that's the case. And you're going to have a major chunk of progress on it this summer, because a lot of it gets done when the kids are out of school.

So with that, I think I've probably touched on a lot of the items we talked about the last time. I'd be delighted to answer questions on anything that you'd like to talk about.

ASSEMBLYMAN STANLEY: Any of the members have questions?

Senator.

SENATOR BARK: And I know that -- and I do understand that most of the Abbott districts are north, but since I come from the south, I'm concerned about the south. I understand why you are going to have your office here in Trenton. But I would ask, are you planning, on one of the criteria, for hiring a regional manager for that? Would that person be from the south?

MR. McNEIL: Well, this person is already on board. His name is John Sullivan. He's been on board before I got here. He's quite a capable fellow. And he's had the south from the very beginning.

SENATOR BARK: But is he--

MR. McNEIL: I'm trying to think where John lives. I think he does live somewhere in the southern part of the state, but I really don't remember. But he's been here for a while.

SENATOR BARK: I'm just sorry. I never thought I would say this, but there is a difference between North and South Jersey. And I find that sometimes, people that come from north of Trenton really don't always look at and understand what's happening in the south.

Although I do not represent Camden, I certainly am very concerned about Camden for a lot of reasons. One, because I want it to be a

good city again. It's a great city. But the fact is, I just know that that is. And I would hope that that is always considered. And I know it's not, but I have to put my plea in. And I only wish that Wayne Bryant were here, because he would second everything I am saying. But I am going to offer that as a suggestion: that you be very concerned about what happens in the south.

And Camden is not the only Abbott district there. Certainly there is one in my district, and that's Pemberton. And I am very concerned that-- I mean, Pemberton is very different than a Paterson.

MR. McNEIL: You're absolutely correct. And the man who-- When I gave you the regional managers, that's the four senior people. Each location, basically -- particularly the large ones like Camden -- will have a project officer on it. The project officer in that particular case is a man who lives in Mount Laurel. He doesn't live in Camden. But nonetheless, it's fairly close. I know that-- We're not going-- I just can't remember where John lives. I'm sorry about that.

SENATOR BARK: Well, good.

MR. McNEIL: I think that the bulk of the people who are involved have been very-- I echo what you're-- I must say that when I came here, I found two major Abbott cities that, frankly, were not making much progress. One was Camden, the other was Newark. We have made, as our -- if you've looked at our organization's goal for the year -- which we've had a big meeting -- we've agreed on a bunch of goals, and where we're moving toward. You will find that one of the goals is to have those two cities be as progressive as cities like Trenton and Neptune and Elizabeth, who have been moving very quickly.

I must say that Camden, recently -- and very recently -- within the last two months, for reasons probably having nothing to do with our efforts, because I know there's a lot of other things going on in Camden--

SENATOR BARK: Right.

MR. McNEIL: --has, all of a sudden, turned around. And instead of having this, sort of, infighting that was preventing us from getting sites, we've seen a cooperative Camden team, and we're delighted with that. It's an exciting thing to see. And if we can keep that going, we're going to get ourselves a number of properties in Camden very shortly. Some of the projects we're out on the street for, right now, with those design procurements -- finally, thank God -- are in Camden. And I'm very pleased to say that.

SENATOR BARK: Thank you.

SENATOR RICE: Mr. Chairman.

ASSEMBLYMAN STANLEY: Senator Rice.

SENATOR RICE: Yes, let me say that I concur with Senator Bark, in terms of the commonalities of South, North Jersey, and Central, but I understand the differences, too.

But let me also assure her, unlike most people at the State level -- and I've been here 17 years -- Camden and urban towns in South Jersey are never left out. You very seldom hear me talk about urban issues without mentioning Camden or Pemberton or some of the areas that we represent. In fact, I'm the one that always reminds the urban mayors that they're very fortunate, because they have two State senators. They have the one they elect, and they have me to keep them in check, (laughter) because I know that even

the senators, sometimes, representing some of those districts, in the past, have not understood the needs. So we're on the same page with that.

But what I want to do is-- Also, you mentioned Newark and Camden, basically, the least progressive in moving forward, which is interesting, because you're correct, but also for different reasons. And that's why I think the Senator has a concern. I mean, if we had the land mass that Camden presently has, we'd probably move a lot quicker.

Newark's problem is, we're almost landlocked because of Federal mandates on public housing, prior to us doing school construction projects. So that's going to take us into some areas of questioning on flexibility. And that's one of the questions, yesterday, that Assemblyman-- This Committee held a hearing in the city of Newark to hear from participants and concerned residents and organizations.

One of the questions that was raised was the question, really, addressing flexibility. Because, once again, if, in fact, the number of schools in Newark that -- which is the biggest district -- Newark is like five cities in one. The number of schools that are projected as new schools and the numbers that are projected as replacement schools-- Now, for those who may not know it, the replacement school simply means we're going to tear the building down and build in the same location, so we don't have a land problem there. The new schools mean we have to find additional land or someplace to build. That's one of the barriers.

So the question is, how much flexibility is there, in terms of the construction, the construction design, the use of air space? Is that something that you're, kind of, gripping with and trying to get a grip on? Is there an

understanding in your organization that there is a strong need to have that flexibility?

MR. McNEIL: If I'm following the question correctly, certainly, we're trying to work on a whole lot of different planes at the same time, one of which is to define sites and to find sites that we can use, particularly in areas like Newark. I mean, it's very difficult. There's an awful lot of stuff there that's-- You can get three pieces of a site that look like they work pretty well, and then you come to a contaminated building that's almost impossible to cure. I mean, you get some strange stuff. And it's just not Newark, it's Elizabeth, it's Paterson, it's Jersey City. We get the same things in those major cities every time.

So we're trying to find ways to build around the contaminant, if you will, and still get the school on the site, if it's possible to do it in a way that you can put kids near that, because sometimes you can't. I mean, you just have to give up on that site.

One of the things I'd think it would be useful for the Committee to understand is how these sites get selected in the first place, because there's a lot of confusion around the State about this issue. The process goes something -- it goes like this.

Each school district has a Long-Range Facilities Plan that they created in the year 2000. They'll update them in 2005 in a gross way, but they have interim updates that they go through since they've been created. Once that Long-Range Facility Plan has been approved, as it has in all the Abbott districts, by the Department of Education, they then start to prioritize schools

that they want built first, second, third. And that stuff comes out one at a time, or two or three at a time.

And they go first to the Department of Education, to Bernie's offices. They review them for educational adequacy. And then they come to us at the Schools Construction Corporation, usually -- almost always with a site designation. Then we go out and start looking at the site. Now, sometimes, you look at them and say, "How can anybody have picked that site?" I was at one the other day, and there was a bar on one corner and a porno shop on the other. Now, who in the heck would ever put a school in that environment? I mean, it's just wrong, and it didn't take much imagination. And we've now changed that, with the cooperation of the city, and the mayor, and the school district in that particular town.

But whatever the site is, we then start to investigate it. We either go to a go or no-go, kind of, decision on it. And if it's a go, then we start the process of remediation, studies, buying it, working with the DEP, working with the local owner of the properties.

ASSEMBLYMAN STANLEY: I'm sorry, how early do you become involved with the process of reviewing the site?

MR. McNEIL: When we get it, is only after it's been, first, the city has said -- or the school district, to be more precise -- has said, "That's the site we want." Bernie's group has looked to see if the building is what fits the Long-Range Facilities Plan, and it's located, generally, where it should have been from the Long-Range Facilities Plan. And only then do we start to look at it.

So, I mean, it's fairly early in the process, much early than, as an example, the non-Abbotts do, because they have a much more difficult situation, because they have to go to referendum. In our case, we've got what the Legislature is authorized, and we have funding. So we don't have to keep going back to referendum all the time. But they really have to go to referendum. So they often pick a site and then find out, after they've been in referendum, they've got a problem site. And that's very awkward for those communities, the non-Abbotts -- very difficult.

But as far as flexibility, we're also doing -- to go back to your comment, Senator -- we're also starting to go down a path of some other procurement processes. I've talked about some of the carve-out process, I think, earlier, on the minority contracting side. But we're also-- You will see over the next several months -- we've been working for quite a while. We have now developed a process to move forward on a design-build approach to move projects more quickly. There's no doubt that that will happen, and there's no doubt that they'll move more quickly. We've got to make sure it works under our State environment, comfortably. So we're doing -- probably we'll do about six or eight around the state, in different locations, over the next several months. We'll award them, and we'll use them as a pilot program. We'll measure them. How's it working? If it works right, then we'll expand it. If it doesn't work right, we'll stop, or change it, or do whatever we have to do to modify it to make it proper. So we're doing flexibility with, also, the way we're doing the contract.

Am I answering your question? I'm not sure I'm hitting the target.

SENATOR RICE: Yes, you are.

Another question, relating to what you discussed, is the land acquisition. We had said earlier, prior to you coming on board, and during our first discussion with the full committee, I believe it was, that I was very much concerned about land acquisition. because the way it was set up, they'll hire me to go down to Camden to (indiscernible) the land. I don't know what's available. I've got to go down there and put all these relationships together, do all this research, when there's a person in Camden -- or many people -- who have been working with land between the housing authority, city government. And we said that needs to be more of a local process -- maybe an oversight -- but a local process. And there was talk about, basically, concurring and going back, even if it meant, to me, if we legally had to hire, part-time in the evening, the person working at the school in the daytime. I didn't care how it was done, but we could expedite--

Where are we-- When you mentioned 100 -- not 100, but you mentioned--

MR. McNEIL: Forty-six.

SENATOR RICE: --land acquisition team -- 46 -- who are these folks? Are they people from the region that have a good grip on land?

MR. McNEIL: Well, they're from all over the state, actually. We brought some people over from other State agencies like the Department of Transportation. We've hired some people who are working in various cities around the state. And we've assembled a team of about a dozen people who are involved with the land acquisition, the technical predevelopment process, and relocation -- which is a big deal, by the way. You can't overlook relocation, because most of these sites are inhabited, most of these sites we have to spend

a good deal of effort to get things relocated. We've also set out, now, a team of relocation contractors, specialists, who do this for a living and make this work.

Now, as far as bringing the local community into it, as I said earlier, the community is the one who pick the sites in the first place. We are, in effect, investigating and verifying that that site makes sense. If it doesn't, then we go back to the community, and they, very often with our help, pick another site.

The other thing that's quite different now from the last time I was here is, there is a process by which this predevelopment investigation work gets done. There's a 15-item checklist that we have that we go through to verify that a site is adequate and proper for a school. When I was here the last time, that was always done by people from Trenton or contractors that we hired.

We've changed that process now. Every project we start -- in your area -- just use Gloucester City as an example, Senator Bark-- We go through a process. We take the 15 items as a checklist, and we say, "Okay. Who is best to take care of that particular item?" because we have to clear them all before we go off and procure a site. If it's something like the local surveyor -- who's better to find the local surveyor? Usually, if it's Irvington, New Jersey, it's usually a guy in Irvington, not a guy in Trenton. So we'll pick and choose who is best. We give the opportunity to the local school district people to say, "Okay. I want to handle that. I'm better at handling that than you guys would be." We say, "Fine." Then we give them a grant to take care of the cost that they're going to incur for doing that. That covers their cost for hiring the

surveyor, whatever it might be. And then, whatever is left we do with our technical people until we get it done. So it's a much more cooperative way.

This is one of the things when I first got here, as I talked-- I went around and did a tour, and talked to most of the school districts. They were very upset about this. They simply said, "How come you guys are doing all this stuff when we're better able to do it?" So now they get the option first. What's left over we do with our people. Obviously, we have to do all the 15 items, we do them all. But now it may be seven or eight or all 15. Perth Amboy just did one on a school up there where they did all 15. Great. I just give them the grant for the cost of the 15, and they're done.

So we're trying to be very, very sensitive to the fact that the local people have a lot more to offer, in many cases, than we do. And we're not trying to be so pompous that we believe that we're the only answer to everybody's prayer.

SENATOR RICE: That's good. Is there a list on some of the issues raised-- You mentioned 100 design commissions -- possibility by the end of the year -- locations -- ground breaking may take place, and, also, bids that may very well -- are in the works, etc. Is there any way, through this Committee, you can share that information as to the 100 designs, so we know, recently, how we're looking, city wise, as well as the ground breakings? We know there's a commission here, so we know that in these cities there's movement on this side. And there's bidding possibilities taking place here. We know that there are movements in these cities. Ground breakings are going to be here -- so we get a, kind of, universal view of where we are, because

we may very well find out that there's 75 designs from the same area. We probably won't, but I mean it, kind of, gives us a map (indiscernible).

MR. McNEIL: What you will find is there are certain cities that have been moving much more progressively than others. And I think I ticked some off-- Elizabeth is ahead of the curve; Neptune is ahead of the curve; Trenton is ahead of the curve. They've been moving very, very well. They were moving well before I got here. And whether I was here or not, those cities would move. The others I'm trying to prod along a little bit more to make the-- But we'll get you the precise list. You'll know exactly what school, exactly what location we're looking at. We'll get that for you and send it to Melanie, I guess.

SENATOR RICE: Keep in mind, Newark is a takeover district. And a lot of people locally don't understand that behind the scenes, the State still becomes a barrier to us, not from your department, per se. And that's why we're in this superintendent fight. The independents up in Elizabeth make it a lot easier. And we found out yesterday -- at least the Assemblyman told me, I think -- or someone told us -- that Trenton was doing so well, because they started this process a long time ago before the State got involved. So I think, from my perspective -- and I think my colleagues share it -- we would like to know, when we line up and measure how well we're doing -- we would like to have: These are the exceptions, because these things started in a different time frame; versus the majority, who are pretty much in the same playing field.

But once again, Paterson and Jersey City and Newark are takeover districts. Newark has a budget problem that was created by the State. So we

know-- But we're still aggressive in that area. And that's why we're going to be mindful and see just what happens there.

I'm going to turn this over to the Assembly person, but I do want to ask one other question, and that relates to the non-Abbott districts. I think you said \$2.5 billion was what was in the bond.

MR. McNEIL: That's what's in the Act, yes.

SENATOR RICE: Right, the Act, rather. And I think about half is committed.

MR. McNEIL: Offered, yes.

SENATOR RICE: Or at least offered.

MR. McNEIL: That's, essentially, committed.

SENATOR RICE: Oh, okay. Could you provide that information, too, in terms of--

MR. McNEIL: As to where it's going?

SENATOR RICE: Yes.

MR. McNEIL: Yes, sure. Of course.

SENATOR RICE: We like to know how, say, the Bellevilles, the West Oranges, the Cherry Hills -- where they're at in these perspectives. We're trying to keep a good idea of where we're going.

We're not under -- at least I'm not, and I think the Committee members share it-- We certainly have to address Abbott, because that's a court mandate. But this whole school initiative is not about Abbott only, it's about schools and children. And we're trying to stay focused on what's happening with education, education facilities throughout New Jersey, given that there are property tax issues and everything else. And I have to be as much concerned,

as a Senator -- about Newark-- I have to be just as much concerned about Belleville and Bloomfield -- and Codey and myself -- Maplewood and South Orange -- Craig and the rest of us, Hillside. I know, in South Jersey, we can talk about Pemberton, but there's a lot around Pemberton. We can talk about Camden, but you've got the Cherry Hills and others. We have to stay focused on all of those, in terms of progress, particularly where schools decide they want to participate in the non-Abbott schools.

So all this information you've articulated -- we really need to have it shared with us.

MR. McNEIL: We'll be happy to do that, Senator.

SENATOR RICE: And then we'll draw our maps, and we'll start putting red dots here and there, etc.

I'll come back with some additional questions. I just want to give it back to the Chair.

MR. McNEIL: All right. We'll get all this information to Melanie, and then she can distribute it to the Committee.

ASSEMBLYMAN STANLEY: Thank you, Senator.

There are some, I guess, common concerns or common inquiries that Senator Rice and I have with respect to the projects, and I don't know if you have any of the information here today. But one of the things that we did talk about was making sure that we had shovels in the ground -- I guess was the term we used -- in the spring. And I just want to know if you can update us, to any extent, as to the projects that we're going to be starting this spring or this summer, or maybe projects that are imminent and projects that have been, I guess, initiated, with respect to-- I don't know what the final stage is. Is the

final stage a shovel in the ground? Is that what it is, breaking the ground with a shovel?

MR. McNEIL: That will get you started. The real issue, in our case, is when we get, finally, to the point that we call an NTP, or notice to proceed, to a contractor. That means everything is behind us, and we've told this guy to go to work.

ASSEMBLYMAN STANLEY: Okay.

MR. McNEIL: And his contract is done.

ASSEMBLYMAN STANLEY: All right.

MR. McNEIL: And right after that is when you have the ground breaking.

ASSEMBLYMAN STANLEY: It's so good to have somebody who knows something about construction here. (laughter) I'll tell you, with all this bad news I've been having this week, this is really refreshing.

Can you tell us where we are with respect to that final stage of contractors getting the go-ahead?

MR. McNEIL: We've awarded, this first part of the year, about 12 projects that are started. And they're all over the state in different locations. A couple are in Passaic. There's the Gloucester City one that I mentioned earlier; Paterson; Jersey City -- pretty large job. And some of these we're doing in phases. The Jersey City one comes to mind. We've started the job. We're doing the demolition on the project. But that project will be a \$65 million bid for the balance of the work. That's actually going to be bid this spring -- later in the spring -- in May. And that's a huge project of two schools on the same site. That's an elementary school and a middle school.

We're in the process, in Newark, of -- there's two quite large high schools that will be bid and awarded and break ground later this year. One is the Newark Science High School, and Central, I believe. In Paterson, we have -- we're actually started on Panther Academy. We're about to award Roberto Clemente, which is an elementary school. Panther Academy is a high school.

Throughout the state, there's a lot of them going on. And I think you'll see it in the list that we sent you, rather than me trying to recite them from memory. I think that's a mistake. But I think you'll see each one as we give you this list.

But I have to tell you, again, what we have is, we've taken our goals for the year -- and it's easy for me to say 100 design awards and 50 construction starts -- and next year it will be more like 100 construction starts, because those design awards will lead to construction next year. But what we have is, we have every one designated, and I've got a schedule I keep track of in my office for both the design and construction. So if you came in my office, you'd look on the wall and you'd see it. And you'll see, we're right on target with what we set up last November and December when we set the plan up.

Now, it's a long way between now and the end of the year, but right at the moment, we're on target to make exactly what I told you we're going to make. That's what we set ourselves to do, and so far, we've been able to stay on that track. And if we stay on the track, we'll get there.

ASSEMBLYMAN STANLEY: I think you said something like 100 schools a year. Is that--

MR. McNEIL: Yes, what we're moving towards is that pace, so to get to that pace, we have to award -- that was what I was telling you last time.

It's exactly where we're trying to get to. And that's why we have 100 design awards we expect to make this year, because the design awards usually take anywhere from eight to 12 months to get to a construction award. So that means, starting next year, we'll be in that 100-a-year pace of construction awards. And that should cycle them out until we get through the entire program. That's exactly--

Your memory is very good, Assemblyman.

ASSEMBLYMAN STANLEY: Thank you.

As far as the bonding is concerned, and where we are with respect to the moneys that are available, this is something I always struggle with. It's interesting, we had a Governor who said that she was dedicating \$8.5 billion to school construction, and then everybody was looking for -- "Well, where's the \$8.5 billion at?" They said, "Well, we don't have the \$8.5 billion yet." She made the announcement, but the money wasn't there.

You had mentioned some dollars that have been bonded so far. How much is the -- how much do we expect to need to build the schools that we're in the process of building now? And I think you spoke a little bit about this earlier.

MR. McNEIL: Yes, well, what we've tried to do is to--

ASSEMBLYMAN STANLEY: And how much is available now? Do we have that information?

MR. McNEIL: Right now, we've got plenty of money. That 8.5-- The way that Act is split up, that 8.5 was split in three pieces: 6 billion for the Abbott district -- the way it's written, that's the amount that's available for the Abbott district -- 2.5 billion for the non-Abbott districts, and that's all that's

available for there; and 100 million for vo-tech -- or vocational schools. If you read the three pieces in the Act--

ASSEMBLYMAN STANLEY: Right, but what we've put on a piece of paper and what's actually in the bank are different.

MR. McNEIL: Oh, well, no, we don't have that much in the bank. What we do is-- Let me tell you how the financing goes.

First of all, we don't commit the financing, the EDA does. That's the way this organization was set up under the executive order. But what they do is, they work with the Treasurer to sell bonds. We have sold, to date, \$1.1 billion worth of bonds -- or the Treasurer has. And we've used up a good deal of that money. He's in the process right now of setting a swap in place. You may have read something about that. That's a very creative way to keep the low interest rates we have today but not have to borrow all the money today, so that you don't pay in interest earlier. So he's created this program for the next, I believe, \$3 billion that he's got to set up, over a program that we've given him -- how we're going to spend money over the next couple of years.

So I think that you'll see that over the next -- by the end of this year, we will have spent something in the range of between 1.5 and \$2 billion. That will be the total that we've expended. It's a little hard to tell. I mean, it's, sort of, like, "When are you going to get to Baghdad?" You'll get there when you get there. That's, sort of, what goes on in some of these cases with the expenditures on construction. There's an awful lot of variables in the equation. But that's the range we'll be in, because, right now, we're a little under a billion that we've spent.

ASSEMBLYMAN STANLEY: The health and safety issues, where are we with respect to those, at this point? Do we feel that by the end of the summer, those will finally be completed?

MR. McNEIL: End of the year.

ASSEMBLYMAN STANLEY: End of the year.

MR. McNEIL: End of the year. A lot of them will be done by the end of the summer, but there are some that won't be done until next fall, for various reasons. There's not-- I expect to have that entire program done.

Now, that said, my friend to my right, here, has told me that the health and safety had a, sort of, second wave to it. It had to do with painting and the less critical items. So there may be a latter wave to this, but as far as the real health and safety that the program was designed for, and the stuff that you are worried -- like a new roof, new windows, fire alarm systems, those kinds of things -- done this year.

ASSEMBLYMAN STANLEY: Now, the 1.1 billion that's been -- I guess that's been spent, to date. No, that's been bonded to date.

MR. McNEIL: No, that's how much we've taken. And we've spent about 850 million of it, or something like that.

ASSEMBLYMAN STANLEY: Okay. And does that include the health and safety items, as well?

MR. McNEIL: Yes, of course.

ASSEMBLYMAN STANLEY: All right. Is there a way, possible, for us to get an update -- maybe a monthly update on where we are with respect to the various stages? And is there a difference? I guess your area -- when these -- when the project is, sort of, handed over to you, I guess that's

something that's been, maybe, percolating over in the DOE for a little while before it gets to you. Is that correct? How does the process work? Are you involved with the process from the--

MR. McNEIL: Maybe I should ask Bernie to respond to what happens between the time the project is given to DOE by the district until he's finished with it and it comes to us. Then you'll know.

SENATOR RICE: Mr. Chair--

As you respond to that, keep in mind, in your response, a lot of the concerns about school construction, prior to Mr. McNeil. EDA was taking some bad hits where the process was barred up, and why. Some I've always argued with, I think, because there was too much oversight based on what they wanted to do. And I think that's been addressed.

The concern now-- We go to meetings; people say things aren't happening. But the question that came up yesterday was for us to raise the question: What is the process before it gets to that stage? Because, apparently, some of the advocates in different districts see things differently -- seeing that the process may still be bogged up in DOE, or DOE gives them the craziness, because the Department of Ed still comes under the Commissioner, right?

B E R N A R D P I A I A: That's correct.

SENATOR RICE: Given the craziness of Abbots, and all the politics taking place, and going to court -- may not know where to start, where to jump, where to go, for whatever reason. So just keep in mind that there's a concern. The concern may not be valid, once you respond, but the concern is that whatever is not taking place in getting into the ground and getting

things done is over there in the DOE, and that's why the Assemblyman raised that question.

MR. PIAIA: Well, first off, I know that the Department has received some of these concerns that were raised in the Coalition for our Childrens Schools' report, and we're in the process of, basically, putting together a response to that. So as soon as that's available, we'll, basically, get it out to everyone on the Committee. We're basically going to go it piece by -- point by point, to answer those.

In general, the process is-- I guess there's two processes that happen. One is for the non-Abbott districts, and one is for the Abbott districts and the over 55 districts. The non-Abbotts is, actually, pretty straightforward. I mean, the district is doing all their own work up front. They're hiring their own architects, and then they're, basically -- they come in to us with a completed project application. We're reviewing that, and we do the approval letters, get it back to them, and get them ready to go, for the most part, out to referendum. And that's fairly straightforward.

SENATOR RICE: Question, through the Chair, on that. The non-Abbott district, if I remember the legislation -- it's been long since I've read it -- if they want State help, then you take control of the process at some point, don't you, with the contractors and vendors?

MR. PIAIA: After we issue-- As part of the preliminary project -- preliminary eligible cost and approval letter -- each district has to make a choice at that time. The over 55-- The under 55 districts have -- they can make a choice whether they want to do the project themselves, or they want the Schools Corporation to actually come in and build their school for them.

And if they chose to do it themselves, they make a choice of what kind of funding they want, whether it's debt service aid or a grant under the Section 15 grant. And, basically, once they make those choices, then if they chose the Schools Corporation, then we would, basically, send all their information over to the Schools Corporation in transmittal, and they would then take over the project from that point.

SENATOR RICE: And at that point, it's treated similar to Abbott, is that correct?

MR. PIAIA: It's true, similar to an over 55 district. It's a little -- there's a slight difference, in terms of--

SENATOR RICE: It's slight, but we get-- What I'm trying to make clear to the Committee, in case they didn't read the legislation or misunderstood it -- and there's people here-- We get some control of recommendations, of contractors and professionals, etc. Is that correct?

MR. PIAIA: That's correct.

SENATOR RICE: I just want to make that clear. So they treat it similar to Abbott at that point. And if-- The way to get around it, to expedite their process, if that process is slow, is chose not to come that route, just do your own tax thing, and go build--

MR. PIAIA: Yes. So far, we've only had one district that's actually chosen that route. The rest of them have chose to, pretty much, do it on their own and go on their own.

For the Abbott districts, the process is a little different in that we set up a process that we call *predevelopment services* for those districts. And that was in an effort to-- Originally, there was no money available to, basically,

help the Abbott districts to, actually, advance their projects. So they would have been, originally, responsible to spend thousands and thousands of dollars just to get a project in to us. So in order to correct that problem, the predevelopment services was developed.

And what that allowed a district to do is, basically, they-- We have a standard application that's available on our Web site -- that they fill out a page in there that says, basically, they want predevelopment services, and they tell us what they need, whether it's land acquisition, of a feasibility study, whether they should keep a school or knock it down and build a new one, whether it's for design services to see if they own land or something. So, basically, they tell us what they want.

And the first stage is fairly quick.

ASSEMBLYMAN STANLEY: Is this the same predevelopment?

MR. McNEIL: Yes, that's exactly right. We do the work based upon what he's talking about.

MR. PIAIA: So when they come in to us, what we do is-- They tell us what they want, in terms of -- like in land. We have encouraged all of the Abbott districts, when they submit land to us, that they submit more than one site, so that if something happens with the first site, we're not going back and starting over. So we've tried to encourage them to submit two or three sites at the same time, so when the Schools Corporation is out looking at the -- if they find a site that is contaminated, or if they find a site that has the liquor store, we don't have to go back to the beginning and start over. They can, basically, move on and start looking at the other sites. So there is some effort there to, basically, speed that process along so we don't get two or three

months into it and, “No, now we have to go back and start over.” In some areas, it’s not always possible that you can find two or three sites. But we have -- we try and encourage them to recommend that many sites.

What we do in this predevelopment phase is, the district tells us what they want to do. Our two main review pieces-- One is to make sure that the projects that they want to advance are, actually, consistent with the Long-Range Plan -- that we’ve approved new schools or whatever -- part of their Long-Range Plan. If they’re not consistent, and they want to amend their plan, we work with them to amend their plan to, basically, get that school in their plan so we can advance it.

And the other piece that we do is-- At that point-- In a lot of cases, the plan that the district had for that school is two or three years old. So we, at least, ask them the questions that, basically-- Each school has what’s called a model, which is basically a listing of all the spaces they want to have in that school and the approximate sizes, the number of students it’s going to serve. So what we do with them when they come is, we ask them to validate that that school hasn’t changed, so they haven’t decided that they want to do something different in that school.

Once that’s done, then that model is, actually, what’s used by the Schools Corporation when they’re going out for architectural services. So they know it’s a 95,000-square-foot school; it’s a pre-K to 8 or K-5, whatever it is; how many classrooms are in there; how many science rooms; how many gyms; all of those types of things. We’re not designing it yet, we’re not doing that. We’re just getting those for the list of what the district wants.

So that process-- If there's no changes to that model, that process, once the district submits something to us -- that request -- if there are no changes to that model, that process is fairly quick. We have, probably, turned them around in a matter of two to three weeks. Now, if there's changes and we have to have dialogues with the district, then they may take a little longer.

But that gets it -- that short period gets it out of our office and over to the Schools Corporation. And they are-- Every Wednesday afternoon, there is a transmittal meeting that each project that we have taken action on and made determinations on is hand delivered to the Schools Corporation, with someone from their office, so that they're-- Those applications are reviewed to make sure there's no questions, there's no problems, there's no issues. And then they get logged into their system. And then they're, basically, distributed, as to, if they need land, somebody takes it over. If they -- architectural services -- it's -- they start that process.

So that's, sort of, the initial phase. That does not take a whole lot of time for us to do. And then, as they develop the ed specs and the schematic drawings, and they come back to us for our -- what is our, basically, schematic approval-- And then, eventually, they come back to us for the final educational review and the striking of the final eligible costs -- which, at that time, that's fairly straightforward review and, then, a letter.

So that's, sort of, the whole process. I mean, once we get the stuff, we get on it. I mean, in reality, we have -- the Department -- we have an actual statutory deadline as to how long we have to review projects. So we have 90 days to get the projects out the door.

ASSEMBLYMAN STANLEY: Is there a list of the all projects that are-- I guess the first step was the five-year plans, or the Long-Range Plans. Is that correct? Are those synonymous, the Long-Range Plans and the five-year plans?

MR. PIAIA: Yes.

ASSEMBLYMAN STANLEY: Okay. So that's the first step -- is the planning stage. Is there-- And I guess in those plans, there is a list of projects for each of the districts. Each of the districts has a school or an addition or whatever. Is there a list of all the projects that are -- have been proposed? And I imagine all of the five-year plans, at this point, have been approved.

MR. PIAIA: That's correct.

ASSEMBLYMAN STANLEY: So everything in the five-year plan is a project. Is there a list of the projects and where they are at the various stages? I imagine, if it's only three weeks in and three weeks out-- But, I guess, there's a time situation, also. And, I guess, that brings me to my next question, which is, the roll out of the projects. Is there a master plan of the roll out of projects, which projects are rolling out when? And is that part of the information that you're going to be providing us?

MR. McNEIL: There is. What happens is, we take-- One of the first acts of our project management firms that we have assigned to all of these different Abbott districts -- and I'm only talking about the Abbott districts. I'm not talking about the non-Abbotts. They create what we call a master plan. They go back with the school district and sit with the people in the district and say, "Okay. Which ones do you want first? How does that make

sense? Maybe you're going to build a school over here, so you can knock down a school here, so you can put another school on that site. That school may not be available to the kids until 2007, by the time you build this one, go through that one. Who knows?" Yes, we go through a whole program on that. And each district has a program.

To answer your first question, yes, we have every school that's in the master plan listed, of course. And we know which ones they are. And then that builds into that, sort of, more detailed master plan than the one that's in the Long-Range Facilities Plan. That relates to what you're talking about, which is prioritization of projects. They're all works in progress.

I think it would be awkward for some of the districts, if I gave you all of those plans. I think I can give you all the schools, if you want to know -- all the projects -- I think that's reasonable. I think some of the other stuff -- because a lot of it's-- They're still dealing with, "Do I need this first," because a lot of their demographics are shifting all the time. Some of these school districts don't have the growth they expected. Others have enormous growth in areas they didn't expect to have that growth. So, obviously, what they're doing is changing the priorities all the time. That's fine. We expect that. That's what they should do.

So I think I'd be a little cautious, because I don't think the information will be helpful to you, because it's not going to be accurate because it's going to be moved. But the list of the schools will still be accurate.

ASSEMBLYMAN STANLEY: Right. I think that what would be good for this Committee are two things. Well, for myself -- I should speak for myself, not for the Committee itself.

One thing is the process -- the actual process of what happens: the approval processes, how the actual committee interacts with the decision-making process, the three -- two committees that you spoke of.

MR. McNEIL: Yes.

ASSEMBLYMAN STANLEY: And the people who are involved with the, actual, either approvals or the contact people, what have you.

One of the things that we had gotten a lot of, I guess, grief about from districts was the changing players, the rules, kind of, changing in -- sort of, in midstream -- in terms of them knowing where to go to get certain information and, also, in terms of them knowing where their project was at any given time and how they go about expediting that.

One of the things that I was-- Some of the information I got with respect to Trenton, and one of the reasons they're so far along is, probably, because they have tenacious people working there, but also because of their proximity to Trenton, and being able to go over and actually interacting with some of the people at DOE. And I don't expect you to have any history of this, Al, because this is before you came. But in a lot of cases, if you notice -- even with respect to whole school reform and a lot of the things that happened with respect to Trenton -- they were able to almost beat the system, or the lack of a system.

And I just wanted to make sure that we have some type of a flow chart in place that shows who the people are -- kind of a getting schools built, the easy version, so to speak.

MR. McNEIL: We'll get you a -- in addition to the earlier stuff we talked about -- a list of the schools and the Long-Range Facilities Plans, plus

a process map of how the system works, with an organization chart that shows you who the players are at the various steps along the way, whether they're at DOE, or whether they're at the Schools Construction Corporation. I think that's something that we could--

By the way, we have quite a well-developed Web site. I don't know if any of you have looked at it. It has an enormous amount of information on it. It has information on both the Abbott and non-Abbott schools, what the current activities are. So when somebody's trying to find their particular school, they can go to that Web site, pick up their county, then their school district, then their school, literally -- go down to that level -- and they'll find out what's happening with that particular school at any given time, and where it stands in the process. And it's updated quite frequently. It's a pretty good site, and we've even done it, now -- I think I may have mentioned the last time I was here -- to be responsive to some of the minority communities. One of the things that they wanted to do is have it translated into Spanish, so we've now done that. So if you hit a button on there, you'll go to Español. And now we're, also, working on the process of getting it into Portuguese.

So I think we've been-- But that Web site is -- I think you'd find it -- quite informative. So if your constituents or staffs are interested in trying to find out something about the schools, please go to it.

ASSEMBLYMAN STANLEY: Thank you.

I'm going to yield to Senator Bark. I know she has to leave in about 15 minutes or so. I know she has some questions she wants to ask.

SENATOR BARK: Yes, I do.

And, you know, I guess I'm one of those that sometimes thinks about things that I, probably, shouldn't be thinking about at this particular moment.

But one of the things that I hope somebody's planning on is that when a school is abandoned, there will either be a plan to use it or a plan to tear it down. The worst thing that we could do for some of these cities would be to leave an empty school building that sits there. And so I'm just-- I don't ask you for any reply. I just want to put that in the pipeline of thought.

MR. McNEIL: Let me give you a comment on that, because I think it's, from my point of view, it's an economic issue, as well. We go out and spend an awful-- We're going to spend something like a billion dollars in property acquisitions in this program before we're all done. It's a huge amount of money. It's the taxpayers money. And we're doing it for the benefit of each of the local school districts, which is exactly the purpose of the Act.

On the other hand, what I don't want to do is end up with the school districts having a lot of excess property because we bought property. So we're, right now-- I'm in the midst of getting a report from our folks to get me a list of where the end result is and what properties might be dangling at the end of the day, because if they're dangling, I've got to find a way for the State to get the benefit of that, because it's the State's money that's being spent.

I'm fully intent on not having--

SENATOR BARK: And I don't have any problem on that. My focus is not necessarily on dollars, but it's to leave an empty building in an inner city that doesn't need an empty building--

MR. McNEIL: Could not agree with you more.

SENATOR BARK: --in order to -- for other reasons. I'll let you handle the money. I'm interested in not leaving an empty building.

MR. McNEIL: If you follow the logic of where I'm going, there won't be a building on that site, because we'll either use it, or we'll sell it and use it for something else.

SENATOR BARK: And that's fine, but I don't want that empty building left there, because I think that's a negative thing in an inner city.

MR. McNEIL: Senator, believe me, when you go--

SENATOR BARK: And the last--

MR. McNEIL: If you go up to New Brunswick -- pardon me, Perth Amboy-- I walked through that town, and we had a bunch of houses that we had purchased that were derelict houses -- nobody in them, right next to an existing school -- broke windows. And I looked at that, and I said, "Oh, my God. This is someplace where youngsters could be dragged into or they can get into all kinds of trouble."

SENATOR BARK: Exactly. It's a great place for drug activity, and we don't need to encourage that, by this activity.

MR. McNEIL: If you look at what we did, we--

SENATOR BARK: So I will trust you that you will take care of that, either by selling it, tearing it down, or whatever you can do. And I understand what you're saying about the money and that the State should get the benefit of that. And I'm sure that that will occur. My concern is more the quality of life that happens with an empty school building.

MR. McNEIL: I'm with you. That's why we tore those buildings down in Perth Amboy.

SENATOR BARK: Okay.

SENATOR RICE: Senator, through the Chair--

You don't own everything. I think her concerns go to, if there was never a Schools Construction program, those kinds of things exist. And I think the attitude is that whether there's school construction or non-school construction -- shouldn't exist. So I concur. Maybe we can ask staff to give a thought as far as, why don't we draft a piece of legislation that -- and they can call it State pay, State (indiscernible) -- call it what they want -- indicating that that can't happen. They've got six months or a year, whatever reasonable time frame, to either sell it, fix it, or tear it down. And I'll go sponsor it with the Senator.

SENATOR BARK: I would be happy to do that, Senator.

And the last thing, before I -- and then I will turn it back to you, Assemblyman Stanley--

I met my former librarian in Burlington County. She is now with the State. And I was very sorry to let the State have her, but the fact is, I didn't have much choice. She said, yes, to their offer. She's a great librarian, and she is very concerned about the fact that the State Librarian was not asked to, at least, voice an opinion on community libraries.

I have been involved in some of that, where I have known a library in a school that functioned as a school library and as a community library -- that it worked well. I've also known where it has not worked well. And so I think that maybe-- Well, what I would like to ask you is, could she, or her delegate, be involved in that community library planning, because I think she could offer some very good insights. And I would appreciate that, if you

would. And she's here today, and I'm going to tell you her name, because she's terrific -- Norma Blake. And she's a good librarian.

MR. McNEIL: From my point of view, obviously, one of the goals that we've set with all of our projects is that every designer, just like I talked about the LEADS program they have to have -- one of the other requirements we've imposed on them is two information sessions with the community on design, one very early in the process, and one part way through the process so they can see that their ideas have been implemented.

SENATOR BARK: Well, it always sounds good, but the fact is that a school library has different needs than a community library does. And the other thing is that you want to be sure, particularly if you have a K-8 district, you want to have a library that's serving that level of intellect, if you will, and you don't necessarily want them grabbing the books off the adult shelves, if you understand what I mean.

And, consequently, I think it's very important to have that kind of input from the librarian. And I'm sure that she will work in a positive manner in helping to see where community libraries can be effective, and how can they be built to achieve a good school library and a good community library. And all I'm asking is, would you give that consideration?

MR. McNEIL: What might be useful is for her to meet with Bernie's group and talk about the standards that we use. Maybe there's something in there that can be enhanced.

Bernie, do you have any comment?

MR. PIAIA: No, we'd be more than happy to meet with her.

SENATOR BARK: Even if I didn't know her, that is a good idea. I just happen to know Norma, and I know that she's a very effective librarian, because I know what she did for our county library, and, boy, was it great. But the fact is, even if I did not know her, I think that's only fair that you have a librarian's input.

MR. PIAIA: That would be fine.

SENATOR BARK: Thank you very much.

SENATOR RICE: Through the Chair, let me take the liberty of being the Chairman of the Joint Committee on the Public Schools and say that the Senator asked, would you consider. You said yes. Let me just say, consider it. Do it. And let me tell you why. And I'll talk to the Commissioner, if necessary.

That issue came up yesterday, and there is a difference between community libraries and school libraries. And if anyone knows that difference, it's me -- come out of the largest cities that had the most, probably, community libraries at one time, as well as school libraries. And now I'm basing those school libraries -- we're faking them -- and then had a school library that was used by a large population at Ivy Hill-Mount Vernon School (phonetic spelling) because right there, at Ivy Hill, you have 10,000 buildings right next to the school -- not 10,000, 10 buildings with over 10,000 people of every ethnic group you can think of. And so between the school usage and the community use, when they wanted to close it because of funding, I said no. They wanted to give us a book mobile. I said, "You will not get another book mobile, because I'm not putting it in the budget for you to buy one," etc.,

because it was different. So you need that kind of input. And we'll do legislation if we have to.

And the other issue that came up, Senator, is that the reason that we need more involvement, not just of DOE people, people who work these systems, is because unlike the past-- If you know, we went to this whole State technology piece. It changed libraries, period, in cities and communities. And it's not working the way they thought it would work. And that's why we still need some basic things. And there's still some traditions that still have to be with libraries, and you're never going to get around that.

So I'm sure-- Would you send something back in writing telling the Senator, through the Committee and directed to her, that that relationship that she's speaking about is done? Today you can say it's being worked on. Just send something in a couple of days saying it's a done deal.

Thank you.

MR. PIAIA: We will meet with her at her earliest convenience.

ASSEMBLYMAN STANLEY: Thank you, sir.

I think that what this really speaks to is, perhaps, the lack of clarity. And I don't know whether it's lack of regulatory language or lack of statutory direction, with respect to community schools. It's an issue that we've spoken about a lot, and it's a term that's thrown around considerably.

But in many cases, community schools mean different things to different people. For instance, the State Librarian may think that a community library in a school is a library that does away with the need for a municipal library, which, I think we've heard, probably, enough testimony yesterday to understand that that can never happen, that it just may not be

physically -- I'm not saying that it can't, but it may not be able to take place, because there are just different needs. And as Senator Rice has said, I don't know whether you can have a library that does both things.

But we can have a library that's accessible to students more than from the hours of 8 to 3, or that can provide services to the community, as well. The same with a gym or a recreation facility in the town. You can't have a recreational facility that's going to serve the needs of the entire town and the school. But after school hours, we can construct so that we get the best possible utilization out of the building that we've come up with, and it meets the needs of the school first, of the students first, but then it meets the needs of the community. Some great examples that you gave us was with things that I hadn't thought about myself. That's why we pay you all those big bucks to come here and talk about these things. But just having the capability of having a generator in a gym or a cafeteria, or wherever, if you needed an emergency facility -- some of these things are very critical.

But this is -- I think this is more in line with what we're speaking of with respect to community schools. But I think there needs to be a little more direction, either from the Legislature, Senators, or from the Department of Education, with respect to the regulation of community schools, and what we're talking about there. Even the auditoriums won't necessarily replace a community theater, but they can certainly be -- have community use after school.

Senator, do you have any other comment on that issue?

SENATOR RICE: No.

ASSEMBLYMAN STANLEY: I wanted to ask a question with respect to the regulations for the early childhood education facilities. I know it came up more than once that there are no regulations in place currently for early childhood facilities. And the other issue is with respect to some of the providers that are not necessarily part of the school buildings, per se, in the district, but they're nonprofits that are providing some of the services. And how are we integrating our plans with accommodating the students and the providers with the facilities that they're going to need in the future?

MR. McNEIL: Well, as you are well aware, there is an Abbott Implementation Council that was set up of various parties of interest that includes representation from both the Schools Construction Corporation and the Department of Education. And that group has been working on developing a set of standards for early childhood, to go to your first point. It was just about at the end of 2002 that they came to what appears to be the final draft, and that draft has been circulating between various people. I expect it to be approved by our board at our April board meeting, and that will-- And I think DOE is working on the same thing. And we'll wind up with a set of standards.

You're right. There were no standards in that sense, or certainly not updated ones. And they're now -- they will now have that. And you'll have that, and that will be the standard we move forward on.

As far as the providers are concerned, there is an awful lot of discussion and activity about community providers for early childhood schools. The first step in the process, if you recall what I had described and gone through, is things that come out of the district. And what I've been-- I've had

a lot of meetings with community provider groups. And what I've had to tell them -- that they first have to get the attention and the recommendation from the school district, that they want to use early -- that the community providers-- And many of the school districts simply do not. And the providers have been, sort of, trying to find other ways to enter the door, if you will. I mean, there are certain towns, like here in Trenton, that they do use community providers. Other towns don't use community providers. Newark uses them. Some do, some don't.

The big issue seems to have come up over the issue of facilities and how those facilities will be constructed and built. If it's a facility that is going to be one where we're going to put money into a facility for a community provider based on a short-term contract, and it's the State's money that's on a long-term facility or is part of a long-term facility, that's not a very wise use of the State's money, because you can't get it back if, for whatever reason, the school district decides not to use that community provider two or three years from now. You've made a long-term investment on a short-term issue. That's a huge mistake in most businesses.

So what we've been trying to find out is a fair and equitable way to do that. I think the new regulations that we put in place will allow that to happen, so the State's money is cared for properly, as it should be. That's one of the jobs I have. And at the same time, the community providers will have access to getting their facilities built. And I think, when you see the regulations -- the new stuff that's coming out -- you'll be, I think, relatively -- I think they'll be relatively pleased.

But -- I'll go back to my first point -- they are not going to be able to get access to anything that's in those new regulations until they get the school district to say, "I want to use you." And there are many of those school districts who don't want to. And I think what the providers are, basically, trying to do is bulldoze the State into forcing that to happen. And that's a mistake, I would judge.

ASSEMBLYMAN STANLEY: Senator, do you have any questions?

SENATOR RICE: Yes.

We understand the difference, and we can't make folks do certain things. But we're -- at the Irvingtons, the Trentons, the Newarks -- are using providers, because we are smarter than most districts to know that our children are already situated -- the age group we're trying to deal with. And we can't build new school facilities for all that population. So it makes sense. Others may have a lot more space that they want to occupy, so we understand that. But, I guess, what is really being raised is that, for those who are using providers-- I hear you say your regs are going to take care of that.

Also, we need to come to grip with the fact that the issue comes up -- relates to standards, etc. -- do you have to really own the land? There's talk that you have to own it. That doesn't make any sense to me--

MR. McNEIL: That's the way your Act's written.

SENATOR RICE: --because if you own it, it's one thing. But that tells me that I can't get a long-term lease.

MR. McNEIL: I didn't write the Act.

SENATOR RICE: I understand that. So we need to get clarity, and we may need to change that, because there's a difference if I have-- It may be a land lease. The city of Newark may say, "We'll lease that space to you for the next 10 years." And you know what? The moment it stops this use, there's a reverter clause, so we get it back.

MR. McNEIL: It broke my heart to tell a person who was, really, very sincere, not that long ago. But I'm not going to do things that are contrary to the way the Act's written. And the words are very clear. I literally just did this -- went through this on a process done here in South Jersey, not that long ago.

SENATOR RICE: We need to look at amending the Act.

ASSEMBLYMAN STANLEY: I agree with you, Senator.

SENATOR RICE: See, I mean, I'm not talking about somebody's storefront. I'm talking about land ownership versus long-term lease. Hell, if we can lease to the Port Authority and all these authorities, then we, sure to heck, can lease it to some educational services.

MR. McNEIL: I'm certainly not opining, one way or the other, on the issue.

SENATOR RICE: Yes, I understand.

MR. McNEIL: All I'm telling you is that what you charge me to do is, do what's in that Act, and I'm going to do that.

SENATOR RICE: Sure.

Melanie, would you, through the Chair, make note -- get with OLS and start to prepare that, too. We're talking ownership of land or long-term lease. When I say long-term lease, we're talking about that land, or even that

building for that -- because more than likely, it's going to be something that's coming through an authority or city anyway.

MR. McNEIL: I happen to agree 100 percent, by the way, on the long-term lease.

SENATOR RICE: And work with the President here to make sure -- well, she'd have to -- the language is correct, so we don't use the term *lease* -- *long-term*, and wind up leasing the wrong things or putting money in the wrong thing. We've got to be clear about what we're talking about -- lease.

The other question is-- Well, I guess one question was answered, because if you haven't really done anything with the drafts on standards, then, naturally, nothing's been incorporated in Title 6A. Is that correct?

MR. PIAIA: That's correct.

SENATOR RICE: Okay. Is the draft one of those documents that's private and secretive, that's going to be sprung up on folks, or is it something that we can look at now?

MR. PIAIA: It's not 100 percent finished. It's still being worked on. But it will-- If it's amending our -- the facilities regs, it will, basically, go through the State board process at DOE, which will provide for multiple public comment periods. I mean, that's a well-known process that will be -- will give people ample opportunity to, basically, see that and actually make comments and make changes as we go through.

SENATOR RICE: But at some point in time, I guess, you need to get it to the Committee -- the whole Committee of the Joint Committee so that we can look at it. The one thing I hate is to look at a document and say, "We've got to have a discussion on this." But everybody is so far in the

hearing processes and the approvals that I've got to get political and then start cussing and fighting, and then they tell me I'm not a good Democrat, I'm a closet Republican and all that kind of stuff. And I don't need to be in that this year. I'm trying to be passive these last few months of this year.

I also want to talk about the early childhood education piece. The issue came up yesterday.

And I've got to commend Assemblyman Craig Stanley, because he's really taking this Committee to heart. I mean, we've been meeting all over the place. And it's good, because we get a chance to get an update, but we hear from our constituency base, and they raised some real good questions. And some of them are here. There's some in everything (indiscernible) very well.

But that issue of flexibility with efficiency standards-- I know we don't have the standards yet, so we need to make sure that -- once it comes from you and whatever the standards are -- that SCC has enough flexibility there, because the indications that there's really no problem with the square footage -- the concern is flexibility and how you utilize that piece.

MR. McNEIL: I think one of the things that people have expressed some concerns about is that everything is lined up -- like you've got so many square feet per classrooms, so many square feet per this, so many square feet for that. That's absolutely correct. That gives you the baseline that you work from. And that's what we first get from DOE and that transmittal that he talked about.

However, very often as the project evolves, and as the design evolves, we'll find reasons why things have to change. Maybe it's got something to do with the mechanical equipment. Maybe it's got something to

do with where you're going to put the computer cables -- you need another thousand feet for that, or whatever.

What we do, if the answer doesn't come out the way it was expected to in the transmittal that we got from DOE when we get these design schematics back, we review them, and they review them in their facilities group. And if there's a difference, we just figure out why there's a difference. If the difference makes sense -- it's because it's getting computer cables in to get computer outlets around the school for the kids -- it's done. I have had no problems with DOE getting this approved. I don't know where the concern comes from, but so far, I don't think -- since I've been here, I don't think we've had any problem. We have plenty of them who are varying from the standard in some ways. And as you get into--

There's a couple of designers that we're playing with right now that have these, sort of, far-reaching ideas of how you do education layouts. And it's not, certainly, the, sort of, egg crate, every-room-is-a-little-box, kind of, approach. And some of the districts are looking at these more open approaches. And they're, kind of, exciting when you look at them the way they're done. I haven't heard any negative comments from my friends at DOE on that. We're perfectly willing to move forward with that.

MR. PIAIA: I think-- I mean, the law, itself, basically tells us that the facilities efficiency standards are flexible. They're not set in stone. That's why we have the facilities efficiency standards as the baseline, and then each school develops its own programmatic model of what they want to do. And that provides the flexibility on a school-by-school basis as to what they want to do at that school.

Otherwise, we would be-- If we didn't have that flexibility, then really what we would be doing is-- His job would be a lot easier, because he'd be building the same school 500 times across the state. So we do have that flexibility.

SENATOR RICE: He doesn't think that way, even if we didn't have-- (laughter)

MR. PIAIA: No, I understand that. But we do have that flexibility. Every school is, basically-- We work with each district to customize what they want in their individual school. And each school ends up with a programmatic model that reflects that. Where we end up having, sometimes, questions or things that we don't "approve" is a-- Say a school district comes in and says, "We want 24 science labs," and they only have enough kids in that school to, basically, support eight, we ask the question, "Why do you need 24 when you only have enough kids to--" You can use those eight rooms and put those kids through two or three periods a week.

So that's where we get into areas that we say, "Well, you need to justify why you need that many of a certain type of thing." But for the most part, if we try and take the approach that the districts have their own-- They know what their educational programs are, they know what their educational needs are -- and we work with them on a project-by-project basis to, basically, make sure that they're getting the spaces to do their educational program, but not necessarily twice what they need to deliver that program.

SENATOR RICE: Through the Chair-- I've got to ask the Chairman a question now.

Mr. Chairman and Melanie and Karen, when that came up yesterday, was that raised by people from the district, or the providers?

MS. SCHULZ (Executive Director): Education Law Center.

SENATOR RICE: Education Law Center.

Could you touch base with the Education Law Center and get a better -- get more clarity of whatever their concern is? Because listening to you -- the two of you -- you're using flexibility. Maybe you're not aware of that, or maybe you think there should be something--

MR. McNEIL: This is Joan Ponessa or somebody like that? Joan Ponessa.

SENATOR RICE: And then let us -- because what I like to do-- I'm a balance person. And the Education Law Center -- we -- they very seldom communicate with me, and I've been around a long time, because they know I don't really -- I like what they're doing, but sometimes I don't like them as a group.

So once you talk, would you let me know what the concern is so that I'll know, on both sides, there's objectivity in looking at that -- I'm not getting this thing one way, just to have another public issue that's really not valid?

MR. McNEIL: I'm suspicious. Like a lot of things, people see the, sort of, standards that have been set up. And you say, "Well, okay, they're invariable." But, as Bernie said, the Act says be flexible, and that's what we're trying to do.

ASSEMBLYMAN STANLEY: I think they recognize the flexibility of the Act and that the square footage-- And they didn't really have,

necessarily, a problem with the square footage. I thought it was -- or they thought it was -- it might be just fine the way it is. It might not even need to be higher. Maybe it could be a little lower, or whatever. They didn't have an argument with that.

I believe it was the model. There, perhaps, is a model in the Act that speaks to some, maybe, inflexibility. But I-- But the idea in the Act is that all, especially Abbott districts -- I don't know about other districts -- can always appeal for other additional facility needs, if that's what they need to deal with anything that's not covered in the Act. So there's always that appeal process.

MR. McNEIL: You know, you may also see some really interesting design solutions coming out of both the design-build thing I talked about as a pilot program a few moments ago. But, also, there's a couple of school districts that are now talking about doing an architectural design competition, which really should get us some state-of-the-art kinds of solutions. And we're trying to cooperate with them 100 percent to get that done, which will give us some, really, unique things to look at. We're certainly not trying to limit that kind of stuff, by any means. I'm not so sure where Education Law came up with that.

ASSEMBLYMAN STANLEY: Senator Rice just asked me -- with respect to the community schools -- the regulatory issue that may be surrounding the lack of definition.

Is there anything that the administration has done, with respect to the regulation (indiscernible) community schools? And also, with respect to how these things are funded, have we looked at all about that -- or at that,

to see if there is any way we can facilitate the expanding of, perhaps, the utilization of the school? Perhaps there are some, maybe, local dollars that may be available. There could be some nonprofit dollars, some organizations -- philanthropic organizations that may want to contribute to bringing that about.

Are there any mechanisms in place to expand a school, perhaps, beyond the square footage in the Act, so that it may be more of a community-type design, in facilitating the creation of dollars or funds to help make that happen? Is there something that's been talked about, at all?

MR. McNEIL: Well, there's, sort of, two directions to answer your question. One is that the schools that we're designing, we're trying to design to have a community orientation, so that if you look-- As an example, Roberto Clemente School -- that was just going out to get started in Paterson, as a (indiscernible) elementary school. But you'll find the public's portions of that school, generally, are located on one side block, and the kids can be blocked -- the classrooms can be blocked off on the other side. So it's oriented that way. So we're trying to do everything that we do to deal with that.

That said, however, we're pretty specific about what we can and cannot build with the State's funds. We couldn't put, as an example, a pediatric health center in a school, or as an appendage to the school program, with our money. It's just not allowed for under the Act. What we can do, and do do, in order to process it -- doing, as an example in that case in Neptune -- is manage the process for them. And Neptune finds the funds for the pediatric health center. And we manage the process. So it becomes an integrated

facility. It makes sense the way it's done. But that funding for that piece of it doesn't come from the State, it comes from Neptune.

And I think that's the answer to your question. We're going to be-- There are limits to how much and where we can spend money. We're trying to stick within those four corners of that page. But then we'll work with the other people to make sure that we'll build a program that makes sense for things they want to append to it that would be-- In that case -- the community school in Neptune, as an example -- you've got a pediatric health center, you've got a police substation, a YMCA swimming pool. All of these things are other pieces that are funded by the community, or they found money, in some cases, as you say, contributors from private donations.

That put the money in. And we're managing getting it all put together so it will come out looking like a big community school. Obviously, the State's paying the bulk of it for the school part, but all those other pieces that tie into it are all being funded by the community.

ASSEMBLYMAN STANLEY: Thank you.

Senator, did you have anything additional?

I know I wanted to deal with the issue of the minority employment. I wanted to just ask a couple of questions with respect to that, as well as the contractor. I've seen some very attractive literature here, and your "Diversity Digest." And it shows that that's something that the -- that SCC has certainly taken as part of their mantra to make this happen.

I just wanted to know, with respect to the-- And I don't believe that all of the H&R Block facilities that you're putting in place there -- I don't know if they're all up and running yet.

MR. McNEIL: They are.

ASSEMBLYMAN STANLEY: They are all up and running.

What is the response that you're getting at this point?

MR. McNEIL: It's probably early to tell; they all just got up and running in the last two months. I'm not-- I can try to get you an answer. I don't have the answer, to be honest with you, right now, at my fingertips. But I'm sure Dan Kirton, in our Diversity Program, would have it, but I don't have it.

ASSEMBLYMAN STANLEY: Senator, do you have any other questions, with respect to--

SENATOR RICE: No, I just want to say thanks to the president -- chairman of the Corporation, and also for your newsletter. I think this is good to keep us and the people informed. And also, as the Assemblyman said, for your taking an interest in our first conversation.

I guess, given my background, usually I look people in the eyes and tell them what I want without biting my tongue -- what I expect. And I do the eye contact to see how they're going to respond.

If, from day one, I say, "Okay. I'm looking at a guy that I can do a little arm wrestling with, who's going to be a little rough putting his arm on the table--" You sure have taken our concerns, from my perspective, and started to meet the challenge and charge with it. And for that I'm thankful, and the people that are being serviced, I think, are thankful. We know it's not perfect, but there have been times in the past we made requests to DOE, to other departments, Corrections -- don't make a difference -- and people tell

you, yeah, yeah, and nothing happens. Your stuff we can measure, and we can see it. And we think that that's pleasing.

And the other thing-- You indicated that you were going to do all you can, when you came in, to try to corroborate and coordinate those other agencies that have responsibilities in departments. And it's obvious you're working a lot better at this point with DOE and your counterparts in trying to keep things smoothly--

I do understand. I can say it, for the record, that if I left it to certain people in the administration, we wouldn't have a problem. If I continue to leave all the thought process in DOE to Gordon MacInnes and people like that, I'm going to have a problem.

And that's why the division between your group and DOE becomes important -- because I think as long as his group can expedite, and they don't have any barriers above them, you'll get it to move. So I think this is a good team here. I think your heart's there. The experience is there. So I want to, at least, say that, because the next time we meet, I may be yelling at you. So I can say good things--

MR. McNEIL: Thank you very much. And we're not -- we've got a long way to go, Senator. We know that. And we'll keep working at it. And you are right, we are -- we have developed, I think, a very good team atmosphere between ourselves and DOE.

ASSEMBLYMAN STANLEY: Now, with respect to-- And I agree with what Senator Rice has said. I think that one of the examples of some of the good that the administration has done is brought you on board so that we can get this process rolling. And, indeed, there's, by all indications that we see

here -- then we'll take a look at your project list, and so forth, and so on. And I'm sure we'll get more confirmation.

I know the PLAs -- we heard some testimony a couple of days ago regarding the project labor agreements and how, in many cases, I guess, some of those agreements have been -- have had a less than positive effect on minority employment and the, perhaps, employment of apprentices and just people -- minorities in general. And we wanted to-- I just wanted to talk a little bit about that, because I understand that SCC has made some strides with respect to that. And I just want to know how that process works. Is it project by project? And how are we doing with it?

MR. McNEIL: That's an interesting subject. We have just recently, within the last several weeks, finally signed the statewide project labor agreement with all the various building trades. It was a, sort of, torturous process getting there, but we're there.

In the interim -- and we do have some that were on a project-by-project basis -- the Gloucester City Early Childhood Center, in Gloucester City; the Passaic Drago School up in Passaic; and so forth. There were five or six of them that had to be done on a project-by-project basis. Fundamentally, it's the same agreement, except that while the other one was getting done, sort of, area wide -- because to get the statewide done, we also had to get the approvals of the international unions down in Washington, and so forth. But it's done. And the fundamentals of the agreement are that for projects over \$5 million, we will employ a project labor agreement. The project labor agreement ratifies the prevailing wage. It really makes it the union wage in areas. It demands apprenticeship.

Now, towards what you were talking about, as far as the affirmative action part of it, we worked very hard -- and this is part of what took so long to get done -- we worked very hard with the building trades and developed a progressive operation with regard to apprenticeship. Right now, what we have is an apprenticeship ratio of one to five, which is pretty strong. It's a lot of apprenticeship. And of that, 50 percent must be first-year apprentices. And of those, 50 percent must come out of our training programs. And you'll find that there are some. In Newark, we just had a training program graduate. I think you know that. Eighteen people graduated. I believe 16 of the 18 are working, and most of them in union jobs. Anyway, we set this whole program up to make sure there is an entry point for the minority local workers to get in.

That said, I was in a meeting in Camden with a group down there, and Senator Bryant was making the comment. And he made a very sensible comment that said that -- "I don't expect to see everybody from my local neighborhood when I walk by one of those jobs -- and working on the job, because when I go to a hospital, I want to be operated on by the doctor, not by the intern." Journeymen and workmen are skilled workmen who have been trained to get there. And we want those schools to be well built and built by those people.

So we're going to have a very large number of apprenticeships on the job, compared to other jobs. And there will be an awful lot of them from the local community, but there will also be a lot of journeymen on the job, because we've got to get them built.

Now, we've also done some unique things here because, as you know, the apprenticeship tests don't open when we'd like to have them open -- just when we start a job. So what we've created is a program of an apprentice-in-waiting. I forget the right title we put on there, but there is a title for it. So even though the person hasn't taken the apprenticeship test, if they've gotten out of one of our training programs and they've certified for that program prior to taking the apprenticeship test-- Because maybe a job is starting in May, and the apprentice test isn't until October, they can come on board and they'll be paid the apprentice wage until they were able to take the test. Obviously, they have to pass the test in order to continue on.

So we've set that up. That's a very unusual condition that we've got in there, but it's in there. I think we've had a pretty darn good-- I'd be very happy to have our people who negotiated that -- one of them is in the room, Jerry Murphy (phonetic spelling) -- talk further about that. But we have a-- I think we've done pretty well with this.

SENATOR RICE: What's the one to five ratio you're talking about?

MR. McNEIL: For apprenticeship to journeymen.

SENATOR RICE: You're talking about five journeymen for one apprentice.

MR. McNEIL: Yes, five journeymen to one apprentice.

SENATOR RICE: That's the problem I have. That's where project labor agreements, unions -- I know you can't control that all. And I have a problem. And I think it's nice for Senator Bryant -- I don't disagree with him -- to say you don't expect to see everybody from the city on the job.

That depends on what level you're talking about. And it still won't be everybody. But when you live in Newark or Irvington, it's a little different than saying you represent Newark or Irvington. You can say what you want to say.

When you walk down Clinton Avenue or Nye Avenue, and you see folks who've been incarcerated, been on the streets four, five, six years, they're not teenagers anymore, who can't find a job better paying than they're paying in the union, but can't get into the union because they can't pass their books -- not going to ever learn to read and write at the level the unions want them to read and write, because they don't want to at their age-- Okay? That's the problem we have -- at least I have, and the people in my neighborhood have.

Everybody's not going to be a journeyman. Some people are going to be unskilled laborers, etc. And they can come from the community. But even those people -- the union want apprenticeship, etc.

The one to five ratio, I think, is the worst ratio in the world, because project labor is union. We know that. It was set up to be union. The governor committed to be union. It's politics, name it what you want. And I support labor. But the problem is that a journeyman is the person, according to the union -- and you know this -- is the person who's, basically, going to instruct me and teach me because they're certified to do that.

My question is, why the hell do I need five instructors to teach you, when I can use one instructor and get me four or five apprenticeships? We're never going to get passed that hurdle, and unions can never justify that to me, coming from the educational background, myself. Even though the journeyman works, as well -- I understand that--

You can't address that. We have to. But my concern in the Newark piece -- and I had this with Becky and them the other day. I said, it's nice for them to tell you that we're going to do better. I said the unions have never given us the exact, numerical number of minorities, and African-Americans in particular, in the unions. They concur that the numbers are small. They argued the labor agreements are going to make things better. I said, "Yes, we know it will make things better, but the majority of the folks, who look like me that are criticized in cities like mine, are, still, never get in to do the jobs." And the only way you can make money-- Those folks who don't live in Newark, who run unions -- they say we used to live -- but you don't live here anymore. Okay? The only way you can make money -- because we have the need. And because we have the need, we want to participate at a different level. And so that's something--

But I'm glad to hear you did the kinds of things you did to make it better, but I think as you work with unions-- I don't want to see Newark residents closing down jobs. See, years ago, unions closed jobs down. Today, I'm telling you, black folks -- that's the only way I can put it -- and Latinos in many cases -- who've been incarcerated don't have a job -- union don't mean anything to them. It's like saying *church* to those folks. It's just another name. And they will close a job down. Union couldn't bring enough dock workers or (indiscernible) carriers down there.

So I'm still trying to work through some of that stuff, and I have to. But I wanted to raise that. I'm sorry. But I've got to keep that on record. It's not your fault. You're doing great. But I want you to keep in mind that there's got to be a mechanism for those who cannot get in an apprenticeship

program, but may not want to be in -- but may be a better craft person than most of those people in the unions. Or because they've been doing a lot of, what we call, bootleg stuff -- learning -- they have a good foundation to learn more if they're shown the way.

I'm sorry, but I had to get that off my chest. That union stuff gets to me about my folks, now. It eats me up.

ASSEMBLYMAN STANLEY: I know, I know, it pains you. I know, Senator. But I'm tolerant. I'm getting used to it, Senator. After eight years, I'm getting used to it. I'm like your colleagues in the Senate.

I just want to, again, thank the President, Al McNeil, and also the representative from the Department of Education for coming. We've been here a little longer than we had anticipated. But this is a very serious issue, as are all of the issues pertaining to the education of our children. This appears to be one of the areas where we're seeing progress, where we're seeing very positive things happen.

Unfortunately, if you have great schools, and you don't have teachers to teach them, and you don't have -- you have great schools, but you can't afford to have an after-school program that the school has been designed to house, or a nurse that the school needs so that the kids get the proper medical attention, it would be -- I wouldn't say it would be all for naught, but it would certainly not maximize what you're doing here in this state.

And I am very frustrated, and I'm very dismayed that we have decided to go back to court, with respect to some of the things I just referenced. It seems to be totally contradictory to some of the things that we have been advocating and some of the things that you're doing. And I just

hope that the Governor and the Commissioner of Education decide that we ought to be working in concert with ourselves. Certainly, you should not be building schools, and we should not be talking about community schools, and after-school programs, and things where kids have access to health care, and some of the other issues that we're talking about, and see the Commissioner of Education going back to court to reduce or to eliminate some of those things.

But, again, I applaud you, Mr. McNeil. I think you're, certainly, a shining star in the Governor's organization, and one of the things that the Governor has done very good, in terms of -- very well -- in terms of getting our school construction program on track. And we look forward to, perhaps, maybe quarterly updates on how things are going. And, certainly, you're welcome -- your doors -- our doors are always open to you, in terms of anything that we can do.

We will be working on some of these issues to help facilitate and, perhaps, make some adjustments to the Act, so that we can have a little more flexibility with respect to some of our providers and some of the things that you may want to do that you can't do right now.

MR. McNEIL: Thank you very much for your comments, Assemblyman Stanley. Jerry just gave me a heads-up, and sometimes I'm wrong. I was wrong about something on the apprenticeship ratio. To make you feel a little better, Senator, it's one to four, not one to five. So we've gotten a little closer. Not perfect, but it's better.

SENATOR RICE: It's a money rip-off piece. I love those union guys, but God damn it -- excuse me -- but, you know, they're killing black folks

in urban -- they really are, and they know it. I grew up in your town. Well, you left the damn town, and all you are is a union president. Get out there and break some bricks, sometimes. I don't even want to run record checks on the nonminority union, because I know what they're going to look like when they come back. But that's another story.

Write your book when you're finished. I think you're doing a good job.

MR. McNEIL: Thank you very much.

SENATOR RICE: Just cite me in it.

ASSEMBLYMAN STANLEY: I guess the last thing I do want to comment on is that I've had some correspondence with some folks up in Paterson. I don't know whether you're familiar with some of their interaction. I think they have some training programs. And they're looking to get involved with the training effort, with respect to some of the things that Senator Rice spoke about, in terms of African-Americans and minorities getting involved with the actual employment and the contract -- from a contracting standpoint, as far as being a training organization.

I see Jeffrey Jones (phonetic spelling) is here. And I've also spoken with Jeffrey Dye, (phonetic spelling) up in, I believe, Paterson or Passaic.

MR. McNEIL: Passaic.

ASSEMBLYMAN STANLEY: And I just want to say that what we want to have -- we don't want to have people shut out if we've got qualified people who were training, or have been training in the past. We think they should be given an opportunity and, certainly, be part of this whole process and program that we're embarking on.

MR. McNEIL: As you know, we have already awarded a lot of these areas out, so, I mean, at some point you get to the end of the road, I think. But we'll certainly look at that and try to be cooperative.

ASSEMBLYMAN STANLEY: Sure. And even though we've awarded some of this stuff out, there's still a lot of construction that's going to be done.

MR. McNEIL: I'm talking about the training part, excuse me.

ASSEMBLYMAN STANLEY: Right. But like I said, there's a lot of construction that has to be done. There's still, probably, a lot of training that needs to be done. And we need to be sensitive to that.

Thanks a lot. I appreciate your--

Thank you, Senator.

We are adjourned.

(MEETING CONCLUDED)