



Capital Deferral Plan and Project Sequencing Strategy

Management's Presentation to SCC Board of Directors

April 25, 2007

Why Deferral is Needed

- ❖ Without additional funding authorization, SCC will need to defer projects
 - Structural Deficit created when July 2005 Abbott Capital Plan (List of 59) was adopted
 - Lack of accurate project cost data resulted in a shortfall of approximately \$400m when plan was adopted
 - Structural Deficit was further exacerbated by a number of factors including emergent projects, higher inflation and project delays
 - Structural Deficit is approximately \$600m, as of April 2007
 - We must manage the remaining funds to ensure no projects enter construction that cannot be completed

Goals of Deferral Plan

- ❖ Efficient allocation balancing short term needs and long term goals
 - Fund maximum number of projects through Construction Phase based upon application of Prioritization Criteria
 - Fund remaining projects through Design, Land Acquisition, Relocation, Remediation and Demolition
 - Retain an adequate Reserve for emergent projects and other unforeseen events

Financial Assumptions

\$639m Current Un-Committed Funds

- April 2007 Forecast

+ \$ 35m Additional Resources from deferred costs as a result of Project Phasing

- \$35m represents a portion of Design and PMF Contracts attributable to Construction Administration and Management

\$674m Total Potential Un-Committed Funds

- \$157m Reserve for emergent projects & other unforeseen events

- Established Planning Target for a Reserve of not less than \$135m
- \$157m current Reserve, as reflected in accompanying Project List, derived by application of Prioritization Methodology
- We will monitor and maintain a Reserve Amount appropriate for program needs

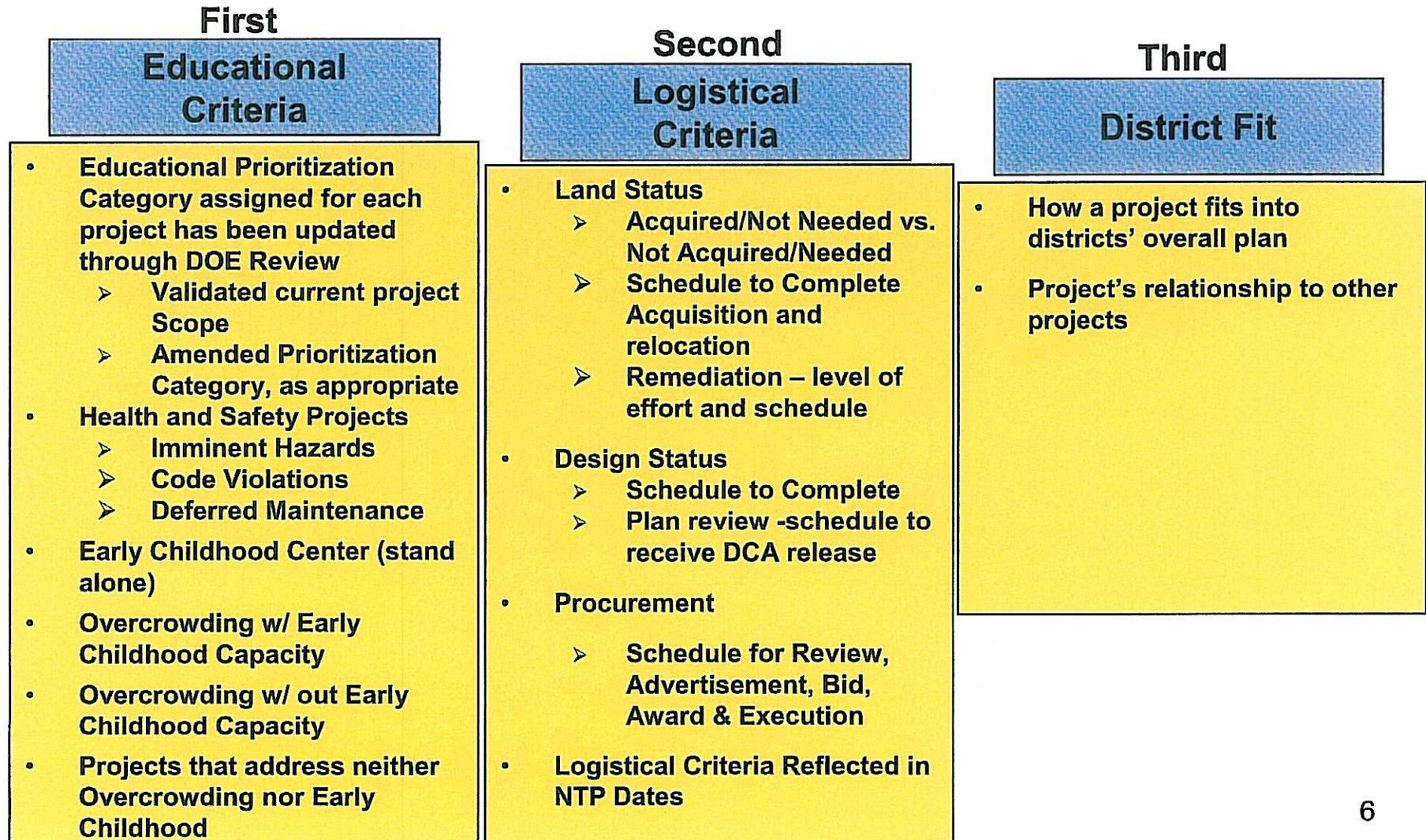
\$517m Funds Available to be allocated as of April 2007

- We will consider opportunities to fund additional project(s) as program needs support reduction in the Reserve

Programmatic Assumptions

- ❖ DOE Review of 2005 LRFP Submission is ongoing
- ❖ District Requested Project Substitutions
 - Criteria Applied in Evaluation of a Requested Substitution
 - Address Higher Educational Priority
 - Result in a net reduction of costs from February 2007 funding allocation reflected in Capital Plan
 - Reflects Consensus among DOE, the District and Local Governing Body
 - Two Substitutions Reflected in the Deferral Plan
 - Newark
 - Elliott Street ES replacing West Side HS
 - Passaic
 - Two ECC's and Board Office Replacing New ES and MS
 - Addresses Montauk Theater Concerns

Application of the Prioritization Methodology, as recommended by the Interagency Working Group



The Deferral Plan

Summary	
Fully Funded Projects	32
Phase Funded Projects Through Preparation of Bid Documents	27
Total Projects	59

The Deferral Plan (continued)

<u>Project Phase</u>	<u># of Projects</u>	<u>Cost</u>
Construction	32	\$477m
Pre-Construction (Through Preparation of Bid Documents)	27	\$ 40m
Reserve (for Emergent Projects and other unforeseen events)		\$157m
Total	59	\$674m

Capital Plan by Educational Priority With Cost Detail

Definitions:

Pre-Construction Phase Costs - Estimated costs to complete Design, Land Acquisition, Relocation, PreDevelopment, Demolition, Remediation, and Temporary Facilities.

Construction Phase Costs - Estimated costs to complete General Construction, E-Rate, and Building Security

Post-Construction Phase Costs - Estimated costs to complete Furniture, Fixtures, & Equipment, Information Technology, and Other Costs (Utility connections, permit fees, DOE fees)

	District	Project	DOE Rank	NTP Date	Total Funds Obligated 3.31.07	Pre-Construction Phase as of April-07	Construction Phase as of April-07	Post-Construction Phase as of April-07	Estimated Costs to Complete as of April-07	Funding From Current Capital Plan	Completion Funding Required	Total Estimated Project Cost
1	Long Branch	Gregory E.S.	0	6/9/05	\$ 27,418,502	\$ 73,797	\$ 895,333	\$ 1,285,733	\$ 2,254,863	\$ 2,254,863	\$ -	\$ 29,673,364
2	Irvington	Augusta E.S.	0	9/23/05	\$ 16,822,909	\$ 700,000	\$ 1,212,847	\$ 1,047,759	\$ 2,960,606	\$ 2,960,606	\$ -	\$ 19,783,515
3	Union City	Jose Marti M.S. - Athletic Field	0	9/27/05	\$ 2,284,201	\$ -	\$ 275,000	\$ 36,960	\$ 311,960	\$ 311,960	\$ -	\$ 2,596,161
4	Newark	New First Avenue	0	10/7/05	\$ 50,152,517	\$ 261,225	\$ 2,078,895	\$ 3,461,356	\$ 5,801,476	\$ 5,801,476	\$ -	\$ 55,953,993
5	Perth Amboy	Perth Amboy H.S.	0	10/14/05	\$ 1,070,730	\$ -	\$ -	\$ 16,760	\$ 16,760	\$ 16,760	\$ -	\$ 1,087,490
6	Harrison	Harrison HS (Synthetic Turf)	0	10/14/05	\$ 1,303,431	\$ -	\$ 10,000	\$ 23,240	\$ 33,240	\$ 33,240	\$ -	\$ 1,336,671
7	New Brunswick	K Center 3	0	4/13/06	\$ 9,890,310	\$ 178,000	\$ 1,019,000	\$ 801,999	\$ 1,998,999	\$ 1,998,999	\$ -	\$ 11,889,309
8	Elizabeth	New pre K-8 #28	0	4/24/06	\$ 53,520,984	\$ 185,784	\$ (2,412,293)	\$ 2,360,968	\$ 134,459	\$ 134,459	\$ -	\$ 53,655,443
9	Paterson	Number 24 E.S.	0	5/3/06	\$ 21,124,057	\$ 462,144	\$ 2,872,605	\$ 1,943,279	\$ 5,278,028	\$ 5,278,028	\$ -	\$ 26,402,085
10	Plainfield	Emerson E.S.	0	5/10/06	\$ 32,019,504	\$ 1,175,994	\$ 2,040,695	\$ 1,569,168	\$ 4,785,857	\$ 4,785,857	\$ -	\$ 36,805,361
11	Paterson	International High School Academy	0	6/20/06	\$ 44,285,124	\$ 454,367	\$ 4,395,403	\$ 3,688,520	\$ 8,538,290	\$ 8,538,290	\$ -	\$ 52,823,414
12	East Orange	Mildred B. Garvin MicroSociety Sch	0	7/10/06	\$ 18,394,126	\$ 1,126,599	\$ 2,555,600	\$ 1,718,450	\$ 5,400,649	\$ 5,400,649	\$ -	\$ 23,794,775
13	Hoboken	Salvatore R. Calabro, No. 4 E.S.	0	7/12/06	\$ 9,290,885	\$ 664,737	\$ 1,306,874	\$ 1,141,600	\$ 3,113,211	\$ 3,113,211	\$ -	\$ 12,404,096
14	Passaic City	New ES at Main Ave Site	0	8/29/06	\$ 46,792,372	\$ 324,390	\$ 2,048,350	\$ 2,907,653	\$ 5,280,393	\$ 5,280,393	\$ -	\$ 52,072,766
15	Elizabeth	New pre K-8 #27	0	9/25/06	\$ 42,204,891	\$ 1,059,000	\$ 1,825,740	\$ 2,684,845	\$ 5,569,585	\$ 5,569,585	\$ -	\$ 47,774,477
16	Jersey City	Number 34 E.S.	0	10/1/06	\$ 8,341,050	\$ 24,000	\$ 746,742	\$ 149,780	\$ 920,522	\$ 920,522	\$ -	\$ 9,261,572
17	Elizabeth	Number 21, Victor Mravlag E.S.	0	11/16/06	\$ 23,336,529	\$ 1,265,400	\$ 1,162,867	\$ 2,294,914	\$ 4,723,181	\$ 4,723,181	\$ -	\$ 28,059,710
18	Newark	Various Emergent H&S Projects	0	12/22/06	\$ 15,481,335	\$ 719,704	\$ 11,377,642	\$ 296,318	\$ 12,393,664	\$ 12,393,664	\$ -	\$ 27,875,000
19	East Orange	New ES #5	0	1/22/07	\$ 36,267,243	\$ 1,644,176	\$ 552,965	\$ 1,997,335	\$ 4,194,476	\$ 4,194,476	\$ -	\$ 40,451,720
20	West New York	Number 3 E.S.	0	3/2/07	\$ 52,486,142	\$ 448,066	\$ 3,071,957	\$ 2,637,037	\$ 6,157,059	\$ 6,157,059	\$ -	\$ 58,643,201

- Estimated Costs to Complete is contingent upon the forecasted NTP date.

- All data based on Apr. 2007 Project Forecasting Meetings

Capital Plan by Educational Priority With Cost Detail

District	Project	DOE Rank	NTP Date	Total Funds Obligated 3.31.07	Pre-Construction Phase as of April-07	Construction Phase as of April-07	Post-Construction Phase as of April-07	Estimated Costs to Complete as of April-07	Funding From Current Capital Plan	Completion Funding Required	Total Estimated Project Cost	
21	Perth Amboy	Early Childhood Center II	B-A	7/07	\$ 11,587,237	\$ 341,750	\$ 14,462,000	\$ 931,572	\$ 15,735,322	\$ 15,735,322	\$ -	\$ 27,322,559
22	Camden	H. B. Wilson E.S.	B-A	7/07	\$ 4,432,924	\$ 312,898	\$ 24,080,572	\$ 2,150,605	\$ 26,544,075	\$ 26,544,075	\$ -	\$ 30,976,999
23	Orange	Park Avenue E.S.	B-A	7/07	\$ 5,501,879	\$ 1,149,200	\$ 25,159,410	\$ 2,446,728	\$ 28,755,338	\$ 28,755,338	\$ -	\$ 34,257,217
24	Newark	Elliott Street Replacement	1	12/07	\$ 545,813	\$ 9,990,000	\$ 30,310,000	\$ 3,400,000	\$ 43,700,000	\$ 43,700,000	\$ -	\$ 44,245,813
25	Camden	Morgan Village M.S.	1	1/08	\$ 5,341,251	\$ 417,605	\$ 27,631,779	\$ 3,065,040	\$ 31,114,424	\$ 31,114,424	\$ -	\$ 36,455,675
26	Newark	Speedway Ave	3	8/07	\$ 6,223,748	\$ 297,000	\$ 39,427,828	\$ 2,392,800	\$ 42,117,628	\$ 42,117,628	\$ -	\$ 48,341,376
27	West New York	Number 2 E.S.	3	8/07	\$ 1,610,398	\$ 730,000	\$ 26,697,712	\$ 2,487,700	\$ 29,915,412	\$ 29,915,412	\$ -	\$ 31,525,810
28	Passaic City	New ES at Henry St.	3	8/07	\$ 9,939,924	\$ 16,374,687	\$ 37,886,030	\$ 2,797,820	\$ 57,058,537	\$ 57,058,537	\$ -	\$ 66,998,461
29	Newark	Park School	3	9/07	\$ 8,117,345	\$ 3,458,155	\$ 37,208,449	\$ 2,447,250	\$ 43,113,854	\$ 43,113,854	\$ -	\$ 51,231,199
30	Camden	Dudley E.S.	3	10/07	\$ 11,892,140	\$ 2,908,859	\$ 30,279,768	\$ 3,141,378	\$ 36,330,005	\$ 36,330,005	\$ -	\$ 48,222,145
31	Paterson	Roberto Clemente ES /K-1 Center	3	10/07	\$ 866,565	\$ 225,600	\$ 1,713,500	\$ 192,000	\$ 2,131,100	\$ 2,131,100	\$ -	\$ 2,997,665
32	Orange	Lincoln Avenue E.S.	4	10/07	\$ 8,297,736	\$ 1,486,884	\$ 35,970,821	\$ 2,715,760	\$ 40,173,265	\$ 40,173,265	\$ -	\$ 48,471,000
33	Jersey City	ECC 03	2	1/08	\$ 7,957,573	\$ 2,918,369	\$ 15,033,399	\$ 1,027,700	\$ 18,979,468	\$ 2,918,369	\$ 16,567,078	\$ 26,937,041
34	Pemberton Township	New Early Childhood Center	2	4/08	\$ 2,887,770	\$ 400,217	\$ 22,392,900	\$ 1,822,500	\$ 24,615,617	\$ 400,217	\$ 25,186,158	\$ 27,503,387
35	Trenton	New Early Childhood Center	2	7/08	\$ 2,463,680	\$ 251,150	\$ 13,290,193	\$ 1,207,538	\$ 14,748,881	\$ 251,150	\$ 15,294,469	\$ 17,212,560
36	Jersey City	ECC 14	2	9/08	\$ 363,516	\$ 1,900,000	\$ 15,442,000	\$ 1,062,600	\$ 18,404,600	\$ 1,900,000	\$ 16,874,525	\$ 18,768,116
37	Jersey City	ECC 13	2	9/08	\$ 2,349,042	\$ 3,430,241	\$ 15,367,000	\$ 1,061,200	\$ 19,858,441	\$ 3,430,241	\$ 16,936,847	\$ 22,207,483
38	Passaic City	New ECC @ Dayton Avenue Site	2	7/09	\$ -	\$ 1,197,000	\$ 17,361,750	\$ 1,282,500	\$ 19,841,250	\$ 1,197,000	\$ 19,000,500	\$ 19,841,250
39	Passaic City	New ECC & Board Offices @ Henry Street Site	2	1/10	\$ -	\$ 1,543,500	\$ 19,679,625	\$ 1,653,750	\$ 22,876,875	\$ 1,543,500	\$ 21,792,750	\$ 22,876,875
40	West New York	Harry L. Bain E.S.	3	3/08	\$ 9,975,144	\$ 5,313,868	\$ 43,173,025	\$ 3,440,394	\$ 51,927,288	\$ 5,313,868	\$ 48,395,595	\$ 61,902,432
41	Trenton	Roebbling School	3	12/08	\$ 19,198,161	\$ 7,507,243	\$ 92,651,400	\$ 8,160,000	\$ 108,318,643	\$ 7,507,243	\$ 104,430,851	\$ 127,516,804
42	Paterson	New Elementary School at Marshall & Hazel	4	8/07	\$ 9,672,654	\$ 516,597	\$ 34,005,027	\$ 2,093,450	\$ 36,615,074	\$ 516,597	\$ 37,498,343	\$ 46,287,728
43	Paterson	Marshall Street Bridge	4	1/08	\$ -	\$ 212,961	\$ 2,365,000	\$ 39,166	\$ 2,617,127	\$ 212,961	\$ 2,455,030	\$ 2,617,127
44	New Brunswick	Paul Robeson Community E.S.	4	8/07	\$ 1,795,000	\$ 72,000	\$ 20,999,038	\$ 2,291,241	\$ 23,362,279	\$ 72,000	\$ 24,203,248	\$ 25,157,279
45	Union City	New ES - Columbus Replacement	4	8/07	\$ 8,776,011	\$ 2,130,000	\$ 39,500,000	\$ 2,671,398	\$ 44,301,398	\$ 2,130,000	\$ 43,719,663	\$ 53,077,409

- Estimated Costs to Complete is contingent upon the forecasted NTP date.
 - All data based on Apr. 2007 Project Forecasting Meetings

Capital Plan by Educational Priority With Cost Detail

District	Project	DOE Rank	NTP Date	Total Funds Obligated 3.31.07	Pre-Construction Phase as of April-07	Construction Phase as of April-07	Post-Construction Phase as of April-07	Estimated Costs to Complete as of April-07	Funding From Current Capital Plan	Completion Funding Required	Total Estimated Project Cost	
46	Pleasantville	Decatur Ave Alternative High School	4	8/07	\$ 1,484,876	\$ 138,848	\$ 16,831,891	\$ 1,875,550	\$ 18,846,289	\$ 138,848	\$ 19,371,486	\$ 20,331,166
47	Perth Amboy	Seaman Avenue School	4	8/07	\$ 2,707,476	\$ 661,000	\$ 28,417,000	\$ 2,377,712	\$ 31,455,712	\$ 661,000	\$ 31,988,493	\$ 34,163,188
48	Jersey City	Number 24 E.S.	4	8/07	\$ 5,829,406	\$ 1,252,878	\$ 41,427,470	\$ 3,960,000	\$ 46,640,348	\$ 1,252,878	\$ 47,060,649	\$ 52,469,754
49	Paterson	Number 25 E.S.	4	10/07	\$ 1,600,732	\$ 540,000	\$ 20,408,000	\$ 2,184,850	\$ 23,132,850	\$ 540,000	\$ 23,470,563	\$ 24,733,582
50	New Brunswick	A. Chester Redshaw E.S.	4	10/07	\$ 3,786,697	\$ 470,795	\$ 29,271,000	\$ 2,317,500	\$ 32,059,295	\$ 470,795	\$ 32,701,279	\$ 35,845,992
51	Newark	Gladys Hillman-Jones M.S.	4	10/07	\$ 4,827,546	\$ 706,400	\$ 16,676,600	\$ 1,645,686	\$ 19,028,686	\$ 706,400	\$ 19,068,223	\$ 23,856,232
52	Garfield	James Madison School #10	4	3/08	\$ 2,716,557	\$ 2,963,932	\$ 19,555,200	\$ 1,410,752	\$ 23,929,884	\$ 2,963,932	\$ 21,724,363	\$ 26,646,441
53	Keansburg	Lorraine Place ES	4	9/08	\$ 6,781,791	\$ 1,001,397	\$ 30,466,958	\$ 2,376,000	\$ 33,844,356	\$ 1,001,397	\$ 34,142,497	\$ 40,626,147
54	Asbury Park	Asbury Middle School	5	8/07	\$ 1,793,962	\$ 140,800	\$ 34,125,985	\$ 2,745,751	\$ 37,012,536	\$ 140,800	\$ 38,282,008	\$ 38,806,498
55	Camden	Pyne Poynt Family M.S.	5	8/07	\$ 6,270,246	\$ 345,000	\$ 27,187,481	\$ 2,649,533	\$ 30,182,014	\$ 345,000	\$ 31,156,303	\$ 36,452,260
56	Trenton	Trenton Central H.S.	5	1/08	\$ 11,349,558	\$ 3,215,842	\$ 22,206,941	\$ 2,520,000	\$ 27,942,783	\$ 3,215,842	\$ 26,372,995	\$ 39,292,341
57	Hoboken	Thomas G. Connors	5	3/08	\$ 1,089,500	\$ 220,000	\$ 18,655,000	\$ 1,740,800	\$ 20,615,800	\$ 220,000	\$ 21,087,382	\$ 21,705,300
58	Long Branch	Elberon E.S.	5	4/08	\$ 1,854,982	\$ 1,102,435	\$ 32,826,649	\$ 3,354,117	\$ 37,283,201	\$ 1,102,435	\$ 36,961,923	\$ 39,138,183
59	Vineland City	Vineland Middle School #2	5	1/08	\$ 3,467,465	\$ 362,305	\$ 27,303,875	\$ 2,387,892	\$ 30,054,072	\$ 362,305	\$ 30,854,767	\$ 33,521,537
Totals					\$ 707,833,144				\$ 1,295,051,006	\$ 517,071,020	\$ 806,597,989	\$ 2,002,884,151

Funds Remaining to Complete Projects	\$ 639,000,000
Design Savings for Construction Admin	\$ 6,000,000
PMF Fee Savings for Construction Mgmt	\$ 29,000,000
Total Reserve	\$ (157,000,000)
Funds Remaining	\$ 517,000,000
Projects to be fully funded	32
Projects to be phase funded	27

Fully Funded Projects that are either in Construction or for which Construction Bids have been taken.
Fully Funded Projects that are in design and have not yet been bid for construction.
Phase Funded Projects that will proceed through preparation of the bid package.
Funded Pre-Construction costs.

Funding for Projects #33 through #41 is phased due to their forecasted NTP Dates.

Educational Policy Criteria

DOE Rank	Educational Prioritization Criteria Categories
1	Health & Safety (Emergent, Physical Plant)
2	Early Childhood Center (Stand-Alone)
3	Overcrowding w/ Early Childhood Capacity
4	Overcrowding w/o Early Childhood Capacity
5	"All Other Projects" (For Planning Purposes)
0	In Construction
B-A	Construction Bids Received

- Estimated Costs to Complete is contingent upon the forecasted NTP date.
 - All data based on Apr. 2007 Project Forecasting Meetings



Appendices

Appendix A	Statutory Funding Allocation (May 2000) as among Abbott Districts, Regular Operating Districts, County Vocational Districts
Appendix B	Abbott Funding Allocation – Summary of Committed Funds
Appendix C	Projects Suspended in July 2005 – Therefore not included in the Capital Plan (from DOE Annual Report FY 2005)
	• Projects with Design Suspended <u>97</u>
	• Projects with Preliminary Pre-Development <u>84</u>
	• Projects Awaiting Pre-Development <u>134</u>

APPENDIX A



Statutory Funding Allocation (May 2000)

\$ 8.6b Initial Allocation

\$ 6.0b Abbott District Projects

\$ 2.5b Regular Operating District Projects

\$ 0.1b County Vocational District Projects

APPENDIX B



Abbott Funding Allocation - Summary of Committed Funds

\$6.00b Abbott Allocation

\$5.36b Total Commitments (as of April 2007)

\$2.23b Completed Projects – **438** (Includes 354 Health and Safety Projects)

\$1.26b 34 Projects in Construction

\$0.67b 6 Demonstration Projects

\$0.50b Program and Project Mgmt.: PMF and SCC Overhead

\$0.58b Pre-Construction Costs for Projects Awaiting Construction, Deferred Projects and Suspended Projects

\$0.06b District Grants and Identified Emergent Projects

\$0.06b Other Costs: Insurance, Safety

\$0.639b Current Un-Committed Funds (as of April 2007)