

MEMORANDUM

TO: Members of the Authority

FROM: Larry Hanover, Senior Public Information Manager

DATE: September 29, 2008

SUBJECT: New Jersey Schools Development Authority (SDA)
September Progress Report

Introduction:

For students in 16 schools throughout New Jersey, going back to school meant walking through the doors of a project newly completed under New Jersey Schools Development Authority (SDA) management.

Nearly 15,000 students benefited from the openings of these schools. Since the SDA's establishment in August 2007, the SDA has opened 38 school projects, impacting 28,000 students.

"Everyone at the SDA is proud to have been able to deliver these critically needed projects throughout New Jersey," CEO Scott Weiner said. "These projects demonstrate the results of ongoing efforts initiated during the past 2½ years to increase efficiency and accountability at the agency. We look forward to continuing to deliver additional schools, including those funded by the \$3.9 billion authorization signed by Governor Corzine in July."

Overall, the SDA has completed 44 new schools and 41 major renovations and additions, along with nearly 500 health, safety and other projects in SDA (formerly Abbott) Districts. An additional 18 are under construction.

SDA-managed projects in Regular Operating Districts account for five new schools and nine major renovations and additions, along with five other projects. The SDA has an additional seven schools under way.

Among the most prominent projects opened in September were Newark's Central High School, a long-delayed project that accelerated to completion under new management, and Neptune's Midtown Community Elementary School, where the agency overcame delays caused when errors by the companies involved contributed to development of mold in the exterior walls.

CEO Announces Upcoming Departure:

After 2½ years, SDA CEO Scott Weiner announced his intent to resign his post at the end of the year.

Weiner served as Chairman of the Governor's Interagency Working Group on School Construction and as the Governor's Special Counsel on school construction. He was appointed as Transitional CEO in February 2006 and permanent CEO in September 2006.

Under Weiner's leadership, reforms considered prerequisites for additional funding were achieved, leading to Governor Jon S. Corzine's enactment of legislation on July 9, 2008 authorizing \$3.9 billion for school construction. With the new funding in place, a New Funding Allocation and Capital Plan comprising 53 school projects in SDA Districts was developed by the Department of Education and SDA, and adopted by the SDA Board.

Among the numerous program reforms adopted during Weiner's tenure are:

- Development of the Project Charter initiative, improving accountability throughout the school facilities development and construction process. Charters establish the budget, scope and schedule of a project. Capital is allocated upon Board approval.
- Development of Project Teams to ensure all stakeholders are actively involved throughout a construction project.
- Publication of the 21st Century Schools Design Manual as a source of best practices, outlining the development of high-performance schools that are healthy, safe, sustainable and cost effective to operate.
- Decreased change orders through ending the practice of bidding projects out for construction prior to design completion, and starting design prior to full land assemblage.
- Savings of \$35.2 million in 2007 through various cost-savings initiatives, including in-sourcing various functions that had been assigned to outside contractors. Savings are continuing in 2008.
- Institution of an aggressive cost-recovery program that is recouping millions of dollars for significant project errors by architects, contractors and project management firms.
- Increased agency transparency through posting of Board memos, agendas and minutes online prior to scheduled board meetings.

In an e-mail to employees announcing his departure on September 22, 2008, Weiner wrote: "As I reflected on our achievements and the challenges that will now command the SDA's attention it became clear to me that the SDA had reached an appropriate point in its history when the Authority would benefit from having a CEO that would provide leadership well into the future."

In a statement, Governor Corzine's spokesman, Sean Darcy, said: "The governor is grateful to Scott for the tremendous job he did in providing oversight and accountability to the previously struggling school construction program. We will look to find someone capable of continuing the program along that same path."

SDA Events:

- September 9: Dedication Ceremony, **Joseph T. Donahue Elementary School**, Barnegat Township. The Donahue School provides positive learning opportunities for 526 students in grades kindergarten through 5. The 72,000-square-foot elementary school is a 1½-story building that is adjacent to the Barnegat High School campus. The facility includes 25 classrooms as well as specialized education spaces such as a media center, art and music rooms, a cafeteria/auditorium, a gymnasium, a kitchen and administrative offices.

Upcoming Events:

- October 4: Groundbreaking Ceremony, Greater Egg Harbor Regional High School, Egg Harbor City.
- October 8: Joint Committee on Public Schools – School Facilities and Construction Subcommittee, Camden High School: CEO Scott Weiner to testify on the status of the school construction program

Subcommittee hearings and testimony by Weiner are also tentatively set for:

- *October 22 in Jersey City (exact site to be determined)*
- *October 29 in the Newark vicinity*
- October 11: Dedication Ceremony, Midtown Community Elementary School, Neptune Township
- October 29-30: New Jersey School Boards Association Workshop, Atlantic City Convention Center: SDA officials to attend as presenters and exhibitors.

Construction Update:

The SDA currently has **18** active construction projects in SDA (formerly Abbott) Districts, **3** active Demonstration Projects and **7** ongoing projects in Regular Operating Districts (ROD). Overall the SDA has completed **584 projects**: **44** new schools; **41** extensive additions, renovations and/or rehabilitations; **21** other rehabilitation projects; **354** health and safety projects; **121** SDA District grant projects; and **3** demonstration projects in SDA Districts. In addition, **19** ROD projects managed by the SDA have been completed. The program also has distributed \$2.2 billion in grants, impacting more than **1,400** suburban ROD schools statewide.

Contractor Procurement:

No design or construction bids were advertised.

Construction Contracts:

As of September 29, 2008, the Authority has entered into construction contracts totaling \$3,413,892,624.17 since the inception of the school construction program in 2002.


Larry Hanover