

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD MEETING
WEDNESDAY, DECEMBER 7, 2022 AT 9:00 A.M.
32 E. FRONT STREET, TRENTON, NJ
BOARD ROOM**

- 1. NOTICE OF PUBLIC MEETING/PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF MEETING MINUTES**
 - a. Board Open Session Meeting Minutes of November 2, 2022
- 4. AUTHORITY MATTERS**
 - a. Chairman's Report
 - b. CEO Report
- 5. REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE (CHAIRMAN'S REPORT)**
 - a. Proposed 2023 Staffing Plan
 - b. Proposed 2023 Operating Budget
- 6. REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE (CHAIRMAN'S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION**
 - a. Recommendation for an Extension of the License Agreement between SDA and City of Newark regarding the Premises located at 371-395 Ferry Street, Newark NJ, Block 2487 and Lot 1.02
 - b. Recommendation for an Extension of the License Agreement between SDA and City of Union City regarding the Premises located at City of Union City Tax Block 19, Lots 1-3, 21-22 and Tax Block 20, lots 1-8, 10-14, 20 and 21
- 7. MONTHLY REPORTS**
 - a. *For Informational Purposes*
 - i. Active Projects Report
 - ii. Project Status Reports
 - iii. Contracts Executed Report/Amendments & Change Orders Executed Report
 - iv. Contract Terminations Report (*no activity*)
 - v. Settlement Activities Report (*no activity*)
 - vi. Diversity and Workforce Participation Report
 - vii. Regular Operating District Grant Activity Report
 - viii. Notification of Amendments to Goods and Services Contracts Not Exceeding \$100,000 or 10% of the Contract Value (*no activity*)
 - ix. Communications Report
 - x. Monthly Financial Report
 - xi. Design Contract De-Obligations Report (*no activity*)

8. EXECUTIVE SESSION

- Recommendation for an Extension of the License Agreement between SDA and City of Newark regarding the Premises located at 371-395 Ferry Street, Newark NJ, Block 2487 and Lot 1.02
- Recommendation for an Extension of the License Agreement between SDA and City of Union City regarding the Premises located at City of Union City Tax Block 19, Lots 1-3, 21-22 and Tax Block 20, Lots 1-8, 10-14, 20 and 21
- Litigation/Contract Matter(s) – OPMA Exemption N.J.S.A. 10:4-12b (7)
CCD Report (*no activity*)

9. ADJOURNMENT

APPROVAL OF MEETING MINUTES

November 2, 2022 Open Session Minutes

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 2, 2022**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, November 2, 2022 at 9:00A.M. at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Chairman
Juan Burgos (EDA)
Kevin Luckie (DCA)
David Moore (Treasury)
Bernard Piaia (DOE)
Richard Elbert
Daniel Gumble
Lester Lewis-Powder
Michael Maloney
Mario Vargas

being all the Members of the Board. Mr. Elbert, Mr. Gumble, Mr. Lewis-Powder, Mr. Moore and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Jane F. Kelly, vice president and assistant secretary; and Albert Barnes, chief counsel of the SDA, participated in the meeting. Janice Venables of the Governor's Authorities Unit (GAU) also participated in the meeting by teleconference.

Pledge of Allegiance

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who requested that Ms. Kelly read the requisite notice of the meeting. Ms. Kelly announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and been duly posted on the SDA Website and the Secretary of State's bulletin board at 20 West State Street in Trenton, New Jersey. Ms. Kelly then conducted a roll call and indicated that a quorum of the Members was present.

Approval of Meeting Minutes

The Chairman presented for consideration and approval the minutes of the Board's September 7, 2022 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, the Open Session minutes of the September 7, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3a***.

Mr. Nixon then presented for consideration and approval the minutes of the Board's September 7, 2022 Executive Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Luckie and seconded by Mr. Vargas, the Executive Session minutes of the September 7, 2022 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b***.

Authority Matters

CEO Report

Next, the Chairman asked Mr. Da Silva for the Report of the CEO. Mr. Da Silva began his report with an update on design-build projects in the design phase. He said that the

construction management services contract was issued and executed the previous month for the Union City New Grade 7-9 School project. He added that yesterday (November 1) management issued a limited notice-to-proceed to Anser Advisory for the procurement of special inspection services.

Turning to design-build projects in construction, Mr. Da Silva reported that for the Perth Amboy High School project, exterior wall framing is ongoing, sheathing is being completed, and window installation has commenced to have the building enclosed for the winter. He added that mechanical, electrical and plumbing (MEP), including HVAC rooftop equipment, installation is advancing and the emergency generator was delivered and placed on the roof. For the Plainfield Woodland Avenue Elementary School project, he reported that window and curtain wall installation is being completed. He said that MEP, including HVAC unit installation work, is ongoing. He advised that site work is being completed in preparation for the winter, with landscaping and other finishes to be completed in the spring.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He informed the Members that a temporary certificate of occupancy for the A wing and kitchen was issued for the Keansburg Port Monmouth Road School project. He added that playground and flood wall installation is ongoing.

Next, Mr. Da Silva noted that there were 3 charters advancing today for projects in Bridgeton, Elizabeth and Garfield as a result of the \$200 million appropriation in the FY2022 budget. He said that he is very excited to see new projects advancing.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that the SDA has launched the application process for the 2022 contractor training program. He reported that, this year, management has changed the format of the program to be a two-day, in-person seminar as opposed to weekly sessions over an extended period. He said that

applications are available on the SDA website and have been sent to the Authority's contractor database as well as stakeholder groups throughout the state. He noted that the program is scheduled for December 5 and 6, 2022.

Next, Mr. Da Silva reported that the previous week, the SDA attended the New Jersey School Boards Association conference and he had the opportunity to speak at the meeting of Great Schools New Jersey: An Association of High Needs School Districts. He noted that this event was well attended and that there were many questions from participants. He said that SDA also hosted an exhibit booth at the New Jersey School Boards Association Workshop in order to provide attendees with information on SDA programs and funding.

Mr. Da Silva said that the previous week, he had also attended the New Jersey Alliance for Action's Construction Forecast. He said that during a brief presentation he had provided updates on upcoming SDA contract opportunities forecasted for 2023.

Mr. Da Silva next advised the Members that on Monday, October 17, the Assembly Education Committee discussed Assembly Bill No. 4496 which would revise various provisions of law governing the construction of school facilities projects and SDA operations. He noted that the Authority's legislative affairs staff was in attendance to listen to comments and input offered by interested parties. He reported that there was significant opposition to the bill with testimony from the Laborers' International Union of North America, the Associated Construction Contractors of New Jersey, the New Jersey Education Association, the New Jersey School Boards Association, and others. He added that the SDA strongly opposes this bill and has been actively engaged in sharing its concerns with the bill's sponsor Speaker Coughlin, the Governor's Office, and numerous stakeholder groups. He said that amendments to the bill are reportedly being prepared.

Next, Mr. Da Silva provided an update regarding the SDA-owned property on Astor Place in Jersey City. He said that as he has previously reported, management is awaiting agreement on prospective licensing documents that would permit the operation of a community garden on the property. He advised that the SDA and the district came to an agreement on the form of these documents more than a year ago (May 2021).

Mr. Da Silva said that management received correspondence from the Black Interest Team Enterprise's (BITE) attorney on September 29, 2022 advising that he made suggested edits to the sublicense SDA had provided to BITE's and the district's counsel and then forwarded them to his client for review. Mr. Da Silva noted that SDA has not seen these suggested edits to date. He advised that the SDA is now waiting to hear back from BITE's counsel once he has received his client's feedback. He noted that the district's counsel emailed BITE's counsel on October 20, 2022 seeking an update, but that BITE's counsel has not responded to date.

Mr. Da Silva informed the Members that management remains hopeful that the Astor Place site will once again be utilized for a community garden; however, until all parties agree on the prospective licensing documents, SDA is unable to advance the matter to the Board for a vote.

Finally, Mr. Da Silva reported that the Authority's Annual Report for 2021 has been prepared by management in compliance with the SDA's bylaws and in accordance with Executive Order No. 37. He explained that the Annual Report includes, among other things, the Authority's audited financial statements, and identifies internal controls that govern Authority expenditures, procurements and other financial matters and transactions. He said that management is recommending that the Board approve the Authority's 2021 Annual Report. He asked that the Chairman present ***Resolution 4ai*** for a vote.

A resolution pertaining to the 2021 SDA Annual Report was provided to the Members in advance of the meeting. Following discussion, upon a motion by Mr. Luckie and seconded by Mr. Vargas, the Authority's 2021 Annual Report was approved by the Board upon its unanimous vote in favor of the resolution attached hereto as *Resolution 4ai*.

Finally, Mr. Da Silva informed the Members that managing director Ritchard Sherman will be retiring effective December 1. He said that this will be a big loss for the SDA because from an architectural and design perspective, he does amazing work. He added that Ritchard will be missed and wished him good luck on his retirement.

Mr. Vargas then asked for additional detail regarding Assembly Bill No. 4496. Mr. Da Silva advised that he, along with Gregory Voronov and Scarlett Rajski, had a meeting with the Speaker's office to discuss specific items in the bill that are problematic for the SDA and identified particular provisions in the bill that the Authority believes should be amended. He added that management discussed SDA's materials and systems standards, model schools and kit of parts programs which are pertinent to those discussions. He said that at this point management is awaiting amendments to the bill that are reportedly being drafted.

Audit Committee

2022-2023 Business and Real Estate Property and Casualty Insurance Program Renewal; Approval of Award Independent Auditor Services (GP-0261-R01) Contract Extensions

Mr. Nixon, as Audit Committee Chairman, reported that the Audit Committee met on October 17, 2022, at which time management provided the Committee with the August-September 2022 New Funding Allocation and Capital Plan Update. He reported that there was a \$300,000 decrease in the Unforeseen Events Reserve balance. He said that this followed Board approved change orders necessary to complete abatement of mercury containing flooring material projects at 2 school facilities. He advised that there were no changes in any of the other

reserve balances for the reporting period. Additionally, he said that there was no change in the Program Reserve for the Regular Operating Districts during the reporting period.

Next, Mr. Nixon said that the Committee received a draft 2023 Operating Budget for the Authority that was prepared by management. He advised that management is still in the process of finalizing certain budgetary line items and that a revised proposed budget will be presented to the Committee at its November meeting. He noted that management plans to present the proposed budget to the Board for consideration at the December Meeting.

Next, Mr. Nixon informed the Board that SDA's internal auditors and contract auditor Baker Tilly provided the Committee with the results of 2 interim, real-time project audits. He explained that the audits were conducted to comply with the statutory requirement that capital portfolio projects with a state share over \$10 million be reviewed to assess whether state funds were expended in accordance with contractual terms, SDA practices and state regulations.

Mr. Nixon then provided the Board with an overview of the September 2022 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period total \$10.7 million, down \$1.7 million as compared to the budget for the corresponding period. He explained that this variance is mainly attributable to a decline in salary and benefit expenditures, partially offset by lower than projected payroll allocations to project expenditures, along with other contributing factors. He reported that the current full time employee (FTE) headcount is 132 as of September 30, 2022, representing a 38 FTE decrease in comparison to year-to-date budget projections. Mr. Nixon reported that operating expenses (Actual vs. Prior-year Actuals) for the year-to-date period, at \$10.7 million, are \$254,000 lower as compared to the corresponding prior year. He explained that this variance is mainly due to lower than projected year over year employee salary and benefit costs, partially offset by lower payroll and benefit expense allocations to project costs. He said that the current

number of FTEs, at 132, is down 27 FTEs as compared to the prior year. He also reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$221.2 million, approximately \$16 million higher as compared to the capital spending forecast for the corresponding period. He advised the Committee that this variance is the result of higher than forecasted expenditures in grant activity, offset by lower than forecasted spending for construction work, project insurance, payroll expense allocation, school furniture and fixtures, and design services. He then reported that project expenditures (Actual vs. Prior Year Actual), at approximately \$221.2 million, are higher by \$28.6 million when compared to the corresponding prior year period. He explained that the variance is due to increased grant activity, offset by a decrease in construction activity, school furniture purchases, project insurance and CM services. Mr. Nixon said that, since program inception, 77.8% of the funds authorized for the SDA districts have been disbursed. He thanked Governor Murphy noting that the figure of 77.8% is a drop of approximately 20 percentage points from previous levels. Additionally, he noted that 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.1 billion.

Next, Mr. Nixon advised the Members that the Committee is advancing 2 agenda items for consideration. First, referencing materials that previously were provided for Board review, he discussed the proposed business and real estate property and casualty insurance program renewal recommendation. He reminded the Members that the SDA maintains a combined property and casualty insurance program for its business and real estate activities that is separate from its construction activities. He said that in November 2020, following a competitive procurement process, the Board approved a three-year term contract with The Safegard Group (Safegard),

inclusive of two renewal years, for the placement and servicing of this insurance. He said that the contract was for a not-to-exceed (NTE) value of \$1.56 million-- or \$520,000 annually-- with an initial one-year policy term commencing on December 14, 2020. Mr. Nixon explained that in November 2021, due to a rise in premiums, the Board approved an increase in the annual NTE contract amount from \$520,000 to \$590,000 to continue the Insurance Program from December 14, 2021 through December 14, 2022. He advised that upon receiving preliminary pricing for the 2022-2023 final renewal period, it became apparent that the approved NTE amount of \$590,000 would be insufficient to cover anticipated premium increases. Mr. Nixon said that management and the Audit Committee are requesting Board approval to increase the annual NTE amount for the Insurance Program to \$665,000.00, including an allowance of approximately 5%, for the final renewal period under the Safeguard contract, commencing on December 14, 2022 through December 14, 2023. Mr. Burgos inquired as to why the allowance was only 5%. Mr. Guarriello said that the 5% relates to potential exposure to changes in coverage of SDA's currently owned real estate properties. Mr. Guarriello responded that the Authority is not planning on purchasing property in the near future and that the 5% amount would be sufficient.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Luckie, and seconded by Mr. Vargas, the Board authorized management to renew various SDA insurance policies to commence December 14, 2022 for the revised annual cost NTE amount of \$665,000 with its unanimous vote in favor of ***Resolution 5a.***

Lastly, Mr. Nixon said that the Audit Committee is recommending approval of two 1-year contract extensions for Ernst & Young (E&Y) for independent financial auditor services and other services required by the Committee. Referencing materials that previously were provided for Board review, he reminded the Members that in 2019, after a competitive

procurement process, and in compliance with Executive Order 122, SDA retained E&Y for independent auditor services. He advised that the initial term of the contract is expiring but explained that the contract provides the Authority with the option to extend the agreement for two 1-year periods. He said that the cost of the extension years are \$125,700 for 2022 and \$130,200 for 2023. Mr. Nixon said that the Committee believes that exercising the SDA's option to extend is prudent for a number of reasons. He said that the Committee is recommending that the Authority exercise its option for both years 2022 and 2023.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. After discussion, upon motion duly made by Mr. Vargas and seconded by Mr. Piaia, the proposed Ernst & Young 2022 and 2023 contract extension for Financial Statement Audit Services was approved with the Board's unanimous vote in favor of ***Resolution 5b***.

School Review Committee

The Chairman asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie reported that the School Review Committee met on October 17, 2022, at which time six items that require Board consideration were discussed. He said that first, management is seeking approval of contract awards for Bridging Design Consultant Services. He advised that, following a competitive procurement process, management is seeking Board approval to contract with the six (6) Bridging Design Consultant firms to facilitate the expedited assignment and award of Task Orders for their services on design-build school facilities projects. He added that management is also requesting that the Board authorize staff to subsequently amend or modify these Task Orders if necessary to expedite the projects. He explained that the services to be provided by the consultants include programming preparation of educational specifications, schematic design documents, bridging design drawings and performance specifications. He noted that the Authority can request that the consultants perform pre-design activities as well. Mr.

Luckie said that the Task Orders will be awarded by rotational assignment to pool members for the performance of the services on a time and materials basis upon hourly rates specified in the Request for Qualifications or on a lump-sum fee basis consistent with the established hourly rates. He advised that the term of each engagement will be three (3) years or until all obligations of a Bridging Design Consultant to deliver services pursuant to any existing Task Order have been performed to the satisfaction of the Authority, whichever is later. He noted that each of the six (6) contracts will individually be subject to a NTE amount of \$2,000,000.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the awards for Bridging Design Consultant services were approved with the Board's unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Luckie informed the Members that the Board is also being asked to approve Preliminary Charters for three projects that management added to the SDA's 2022 Capital Plan in April of this year. He noted that the projects are in Bridgeton, Garfield and Elizabeth and that they represent a big step forward towards construction of the 19 projects that the Authority has approved for advancement.

Mr. Luckie said that the first project is the Bridgeton High School (High School) addition and renovation project (Project). He reported that SDA worked with district and Department of Education (DOE) staff to review and validate the district's needs and is recommending a project scope to address them. He added that, as proposed, the Project would accommodate approximately 300 students and address overcrowding utilizing a project site available under either district or SDA control. He advised that the Preliminary Project Charter that is before the Board today details Project advancement recommendations, including estimated costs and schedules for Project completion. He explained that, once completed, the Project will provide an

approximately 69,500 square foot addition to the High School along with renovations of approximately 7,100 square feet for an Early College High School education program, a classroom wing addition and a gymnasium and related spaces. He said that the Project will also increase capacity to approximately 1,781 students in grades 9 to 12 and bring the facility into compliance with DOE's Facilities Efficiency Standards. He explained that the recommended Project delivery method would involve in-house design staff completing program concept design and a Bridging Design Consultant completing schematic designs and preparing bridging documents to support a design-build delivery process. He added that this is reflected in the proposed Project budget. He advised that the Project's estimated \$49.2 million cost is reflected in the Charter and includes all estimated costs necessary for advancement of the planned Project scope. He noted that with the Project completed, the district's capacity needs in grades 9 to 12 would be fully addressed.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the Preliminary Project Charter for the Bridgeton High School addition and renovation project was approved with the Board's unanimous vote in favor of **Resolution 6b**.

Mr. Luckie said that management is seeking Board approval of a Preliminary Project Charter for a New Elementary School in the Elizabeth School District. He reported that the Authority's 2022 Plan also identified the need for a New Pre-K to 8 school project (Project) for approximately 1,000 students in the Elizabeth School District to address overcrowding. He advised that, as with Bridgeton, the Project was to be built on an available site currently under either district or SDA control. He added that SDA staff worked with district representatives and DOE staff and reviewed and validated district needs. He reported that, following that review, management is now recommending Board approval of a Project scope to address those needs. He

informed the Members that management and staff are also recommending Board approval of a Preliminary Project Charter which details Project recommendations, including estimated Project costs and schedules for Project completion. Mr. Luckie explained that an analysis of enrollment data confirmed that the district lacks capacity for approximately 5,300 students in grades Pre-K to 8. He said that the initial Plan anticipated the construction of a new facility on a former parochial school site acquired by the district in 2021.

Mr. Luckie advised the Board, however, that following Plan approval, the district's Joseph Battin School (Battin School) was found to be structurally unsound with conditions that could not be remedied and that it was closed by the district. He explained that this closure of the Battin School rendered the parochial school site unavailable for immediate advancement of the new Project as it was needed to house the Battin School students. He added that, with closure of the Battin School, the district's overcrowding situation worsened. He advised that, given the district's closure of the Battin School, planning discussions shifted focus to a plan for a replacement facility on the existing Battin School site. He said that upon completion of that facility, the plan now involves advancement of a new facility for grades 9 to 12 on the former parochial school site. He noted that the estimated cost of \$96.2 million for the Project reflected in the Charter includes all estimated costs necessary for advancement of the planned Project scope.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Maloney, the Preliminary Charter for the New Elementary School project in the Elizabeth School District was approved with the Board's unanimous vote in favor of ***Resolution 6c***.

Next, the Committee recommends that the Board approve the Preliminary Project Charter for the New Elementary School in the Garfield School District. He reported that the April 6 Board-approved Plan also includes a new replacement Pre-K to 5 elementary school project

(Project) for the Garfield School District to accommodate 700 students as an analysis of enrollment data confirmed the district's capacity needs at the elementary grade level. He advised that SDA staff's discussions with the district and the DOE, in addition to validating the district's needs, identified the preferred Project location to be the district's existing Woodrow Wilson School No. 5 site. He said that SDA management and staff recommend that the Board approve advancement of the Project and the proposed Preliminary Charter which details Project advancement recommendations including estimated costs and schedules for Project completion. He added that the Board is also requested to authorize management's procurement of the professional and construction services necessary for this Project. Mr. Luckie reported that the estimated \$80.5 million Project cost reflected in the Preliminary Project Charter includes all estimated costs necessary for the advancement of the planned Project scope. He explained that with the Project completed, the district's capacity needs will be significantly, though not fully, addressed. He said that the SDA Operating Authority will govern the award of all professional services and construction contracts as well as the need for Board notification prior to utilization of any Project contingency monies.

A resolution pertaining to this matter had been provided to the Board in advance of the meeting. Upon motion duly made by Mr. Maloney and seconded by Mr. Vargas, the Preliminary Project Charter for the New Elementary School project in the Garfield School District was approved with the Board's unanimous vote in favor of ***Resolution 6d***. At this time, Mr. Lewis-Powder announced that he had joined the meeting (by teleconference).

In continuing, Mr. Luckie said that management is seeking Board approval of the proposed re-adoption with amendments and new rules of the school construction program's Equal Employment Opportunity (EEO) and Affirmative Action Rules. He reported that on May 4, 2022, the Members of the Board approved for proposal and publication in the New Jersey

Register a Notice of Proposal for Re-adoption of the Authority's EEO and Affirmative Action Rules, with substantive amendments and new rules (Rules). He informed the Members that the proposed Rules address the EEO and affirmative action requirements applicable to construction and goods and services contractors as well as consultants engaged by SDA. He added that they also govern the set-aside and subcontracting goals for small business entity participation. He advised that the Notice was published in the Register on July 5, 2022 subject to a 60-day public comment period ending September 3, 2022. He noted that the Rules are presented for Re-adoption unchanged from the original proposal as published in the Register. He reported that the Board is requested to approve the formal adoption of the Rules and authorize the issuance of the proposed Notice of Re-adoption with Amendments and new Rules and their filing in the New Jersey Register.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the proposed Re-adoption of the Authority's Equal Employment Opportunity and Affirmative Action Rules with amendments and new Rules was approved with the Board's unanimous vote in favor of ***Resolution 6e.***

Finally, Mr. Luckie said that management is seeking approval of contract awards for furniture, fixtures and equipment (FF&E) contracts. He informed the Members that in 2019, the Authority procured term contracts to engage several firms for the manufacture, delivery and installation of furniture, fixtures and equipment. He advised the Board that the contracts with these firms are expiring in April 2023. Mr. Luckie reported that in May 2022, SDA advertised a procurement for FF&E term contracts and 21 firms submitted technical and fee proposals for consideration by a 4-member selection committee. He said that the engaged firms will provide the content of a "catalog" of items available for selection by school district officials to furnish

and equip schools constructed or renovated by the SDA. He noted that SDA staff would offer the districts guidance to ensure compliance with budgetary parameters. He advised that, consistent with SDA regulations, staff employed a two-step process for this procurement and, following its completion, management and staff are recommending that the Board approve the award of contracts to those firms listed in Table 3 of the memorandum. He said that these contracts will be for a three (3) year term with an SDA option to extend for one (1) additional year. The total NTE amount for this procurement, including all awardees, is \$60 million.

A resolution pertaining to this matter was provided to the Board for review in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Maloney, the awards for furniture, fixtures and equipment were approved with the Board's unanimous vote in favor of *Resolution 6f*.

Public Comment

Mr. Nixon then opened the Public Comments portion of the Board Meeting.

The Chairman recognized Nikki Baker of Healthy Schools Now (HSN) and Heather Sorge of New Jersey Future who were in attendance. Ms. Sorge indicated that she wished to address the Board. She advised the Members that she was now with the organization New Jersey Future, having previously served in the role currently held by Ms. Baker with HSN. She thanked the SDA for its work on the statewide mercury in flooring initiative and referenced it as another aspect of the Authority's good work that could be showcased as an example of what the SDA actually does that demonstrates that it is the forefront of making school conditions better for students across the state.

In continuing, Ms. Sorge said that resources developed through the Authority's communications office would be appropriate for sharing on the HSN website in both English and Spanish. She said that HSN currently has a fact sheet focusing on the SDA and its role but that it

is in need of updating. She said that she is confident that Ms. Baker would work with SDA to ensure that the fact sheet is accurate and that she would be supportive of sharing available information to assist the public in understanding the issues. She said that she and Ms. Baker have had conversations regarding the proposed Building Conditions Assessment Survey (BCAS). She recommended that the Authority engage its stakeholders in the process of developing the BCAS, potentially through the solicitation of comments and input. She added that noting that this would send a positive message as to how things are now being done at the Authority.

She thanked the SDA for the work that it is doing. The Chairman thanked Ms. Sorge for her comments and indicated that staff would follow up with HSN from a communications standpoint and ensure that the information previously referenced would be provided.

Adjournment

There being no further business to come before the Board, upon motion by the Chairman and with unanimous consent, the meeting was adjourned.

Certification: The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its November 2, 2022 meeting.

/s/ Jane F. Kelly
Assistant Secretary

Resolution—3a.

Approval of Minutes

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Schools Development Authority be approved by the Authority's Board of Directors; and

WHEREAS, pursuant to Section 3(k) of P.L. 2007, Chapter 137, the minutes of the November 2, 2022 Board meeting of the New Jersey Schools Development Authority, for the Open Session were duly forwarded to the Office of the Governor following the meeting.

NOW, THEREFORE, BE IT RESOLVED, that the minutes of the New Jersey Schools Development Authority's November 2, 2022 Open Session meeting is hereby approved.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Dated: December 7, 2022

AUTHORITY MATTERS

CHAIRMAN'S REPORT

CEO REPORT

**REPORT AND RECOMMENDATIONS OF THE AUDIT COMMITTEE
(CHAIRMAN'S REPORT)**

Proposed SDA Staffing Plan



MEMORANDUM

TO: The Members of the Authority

FROM: Manuel Da Silva, Chief Executive Officer
Donald Guarriello, Vice President & Chief Financial Officer
Jane F. Kelly, Vice President, Corporate Governance & Legal Affairs

RE: Proposed 2023 SDA Staffing Plan

DATE: December 7, 2022

Background

Article IX, Section 9.1 of the New Jersey Schools Development Authority (SDA or the Authority) Bylaws (Bylaws) establish the Audit Committee as a standing Committee of the Authority. In addition, the Audit Committee's Charter (Charter) sets forth the Committee's authority, composition, voting, and specific responsibilities. On September 4, 2019, the Members of the Authority approved amendments to both the Bylaws and the Charter to clarify and strengthen the Board's oversight role in matters relating to Authority personnel and compensation.

Among the amendments to the Bylaws and Charter approved by the Board, are amendments requiring the annual establishment of a "Staffing Plan" for the Authority. Specifically, Article V, Section 5.1 of the Bylaws requires that the SDA Chief Executive Officer establish an annual Staffing Plan as defined in Article I, Section 1.7 of the Authority's Bylaws, and Section G.2 of the Charter requires that the SDA Audit Committee and Board review the annual Staffing Plan as submitted.

SDA's Chief Executive Officer, in coordination with the members of the Executive Team, has prepared a SDA Staffing Plan for Fiscal Year 2023 and that Plan was presented to the Authority's Audit Committee on November 21, 2022 along with the proposed Fiscal Year 2023 Operating Budget. On that date, following discussion, the Committee determined to advance the 2023 Staffing Plan to the full Board with a recommendation for approval.

2023 Operating Budget: Forecasted Staff Utilization and Active Project Analysis

Article I, Section 1.7 of the Authority's Bylaws provides that the annual Staffing Plan shall represent "the resources required to satisfy the SDA's mission, goals, commitments and operating needs correlated to the volume and type of work activities to be advanced within a defined period. The Staffing Plan shall include existing SDA resources along with projected resource needs, and shall identify each included resource's function responsibilities and major accountabilities in support of the SDA's mission, goals, commitments and operating needs. The Staffing Plan prepared for presentation to the SDA Board shall be developed through a process that includes data-driven analytics."

In developing the Staffing Plan for 2023 consistent with the Bylaws, management employed data-driven analytics for each operating area within the SDA. To this end, staff began with the body of SDA work that will occur in 2023, reviewed the needed activities to address that body of work on a month-by-month basis and with a full-year view for the entirety of 2023.

The analysis evaluated each staff member's activities related to those needs in that same detailed way in order to assess the resources needed to support the Authority's projects. Essentially, the analysis reviewed each staff member's anticipated activities for each month tied to the overall work of the organization that would advance within that month.

This assessment results in our conclusion that 150 staff members, as broken down by functional area, is the number of staff needed to satisfy the SDA's mission, goals commitments and operating needs correlated to the volume and type of work activities that are ongoing and will be advanced throughout 2023.

Accompanying Materials

The accompanying 2023 Staffing Plan materials include a 2023 Forecasted Staff Utilization, depicting the results of the assessment as follows: (1) Staff Utilization by Activity Type for the SDA overall; (2) Staff Utilization by Activity Type by Operating Area; and (3) Staff Utilization Dedicated to Projects.

In reviewing activities within each SDA Operating Area, we recognized that the work of each employee can be categorized as either:

- School Facilities Project Work
- Work that is required either by statute, regulation or other governance requirement (e.g. data collection and reporting, auditing, recordkeeping, public transparency and responsiveness requirements)
- Other Organizational needs

The following provides a brief description of the accompanying materials:

1. The first page depicts the categorization among those three areas - arrived at after we performed a delineation of SDA staff activities across the organization by detailed activity types. Our analysis concluded that 68% of SDA's staff activities are dedicated to school facilities projects; 7% are activities required to be performed in satisfaction of statutory, regulatory or other governance requirements and 25% are activities related to required organization operation and support.
2. The second page provides a series of bar charts that depict Staff Utilization by activity type by Operating Area:
 - Office of the CEO
 - Office of Corporate Governance and Legal Affairs
 - Construction Operations
 - Program Operations
 - Office of the CFO

Each Operating Area has staff time dedicated to each of the three categories to varying degrees, each area with significant staff time dedicated in support of school facilities projects.

3. The third page represents the work of the SDA dedicated to projects and demonstrates - for the 68% of overall SDA staff utilization that is dedicated to projects - the apportionment by each SDA Operating Area dedicated to school facilities projects.

Conclusion/Recommendation

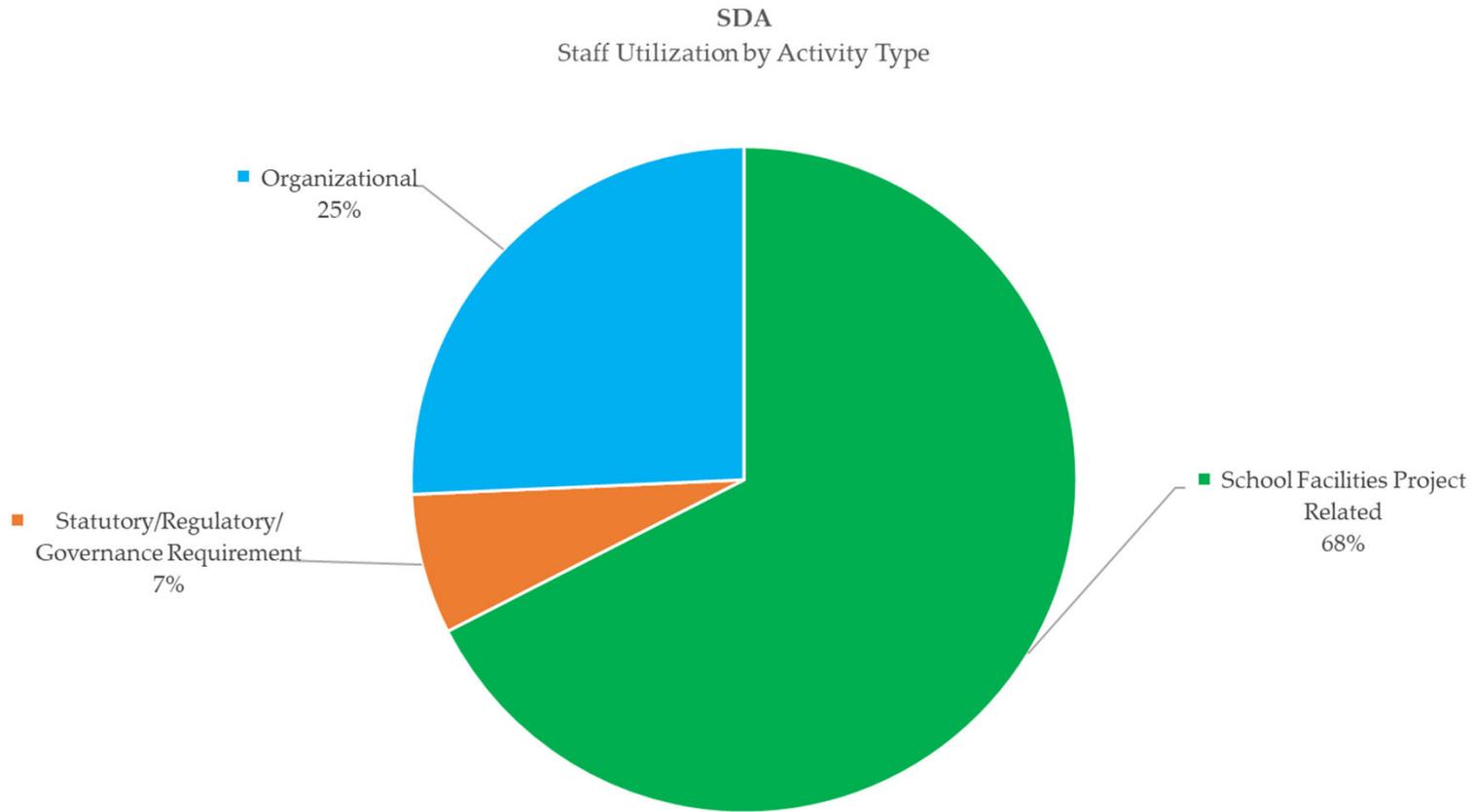
SDA Executive Management requests and recommends that the Members of the Authority approve the proposed 2023 Staffing Plan as discussed herein and as presented in the accompanying materials. The proposed 2023 Staffing Plan reflects that 68% of SDA's staff activities are dedicated to school facilities projects; 7% are activities required to be performed in satisfaction of statutory, regulatory or other governance requirements and 25% are activities related to required organization operation and support. The Staffing Plan includes a headcount of 150, the number of staff needed to satisfy the SDA's mission, goals, commitments and operating needs correlated to the volume and type of work activities that are ongoing and will be advanced throughout 2023. Management's recommendation for Board approval follows a detailed presentation of the 2023 Staffing Plan to the Authority's Audit Committee and the Committee's advancement of the same for Board consideration and approval.



STATE OF NEW JERSEY

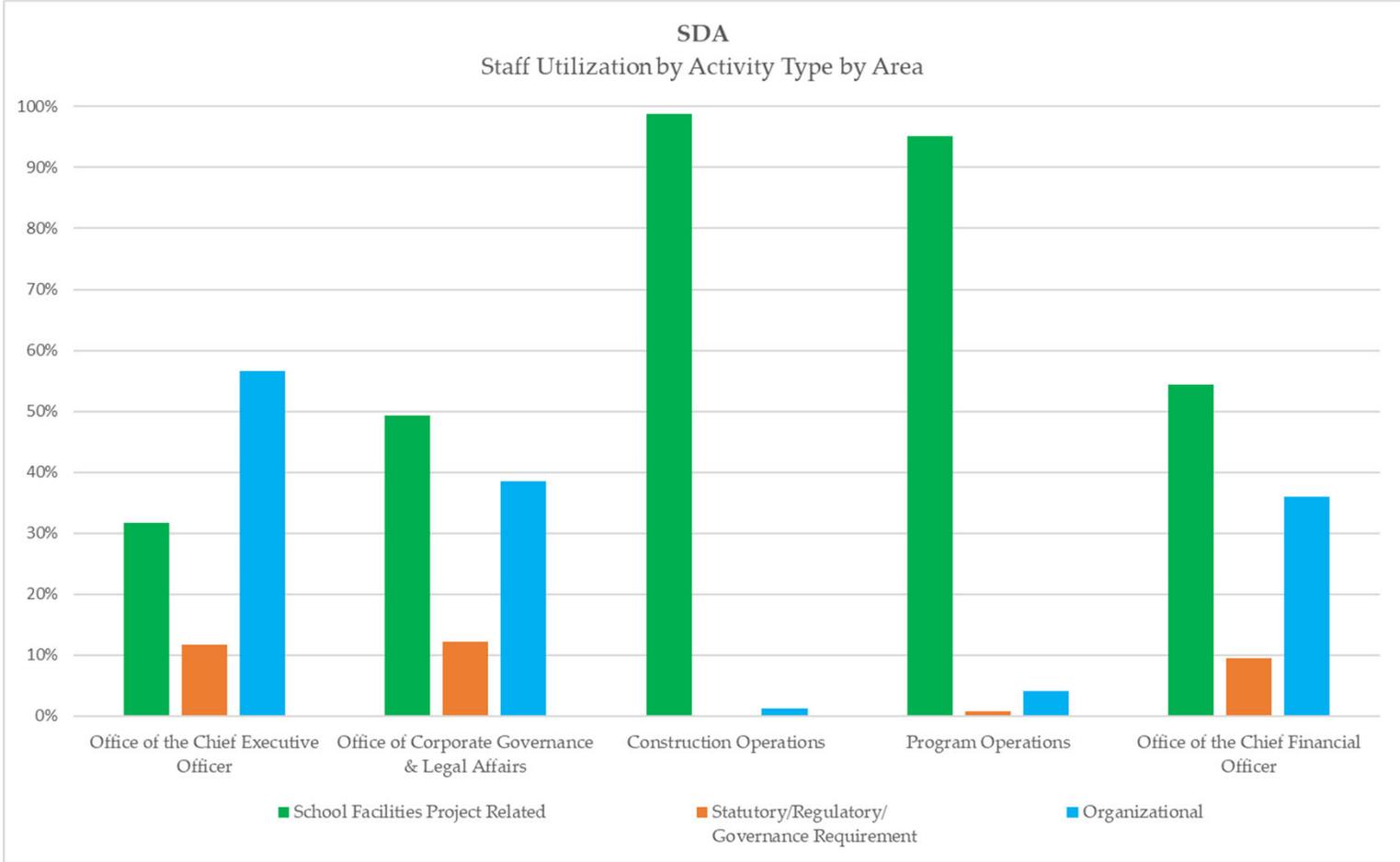
SCHOOLS DEVELOPMENT AUTHORITY

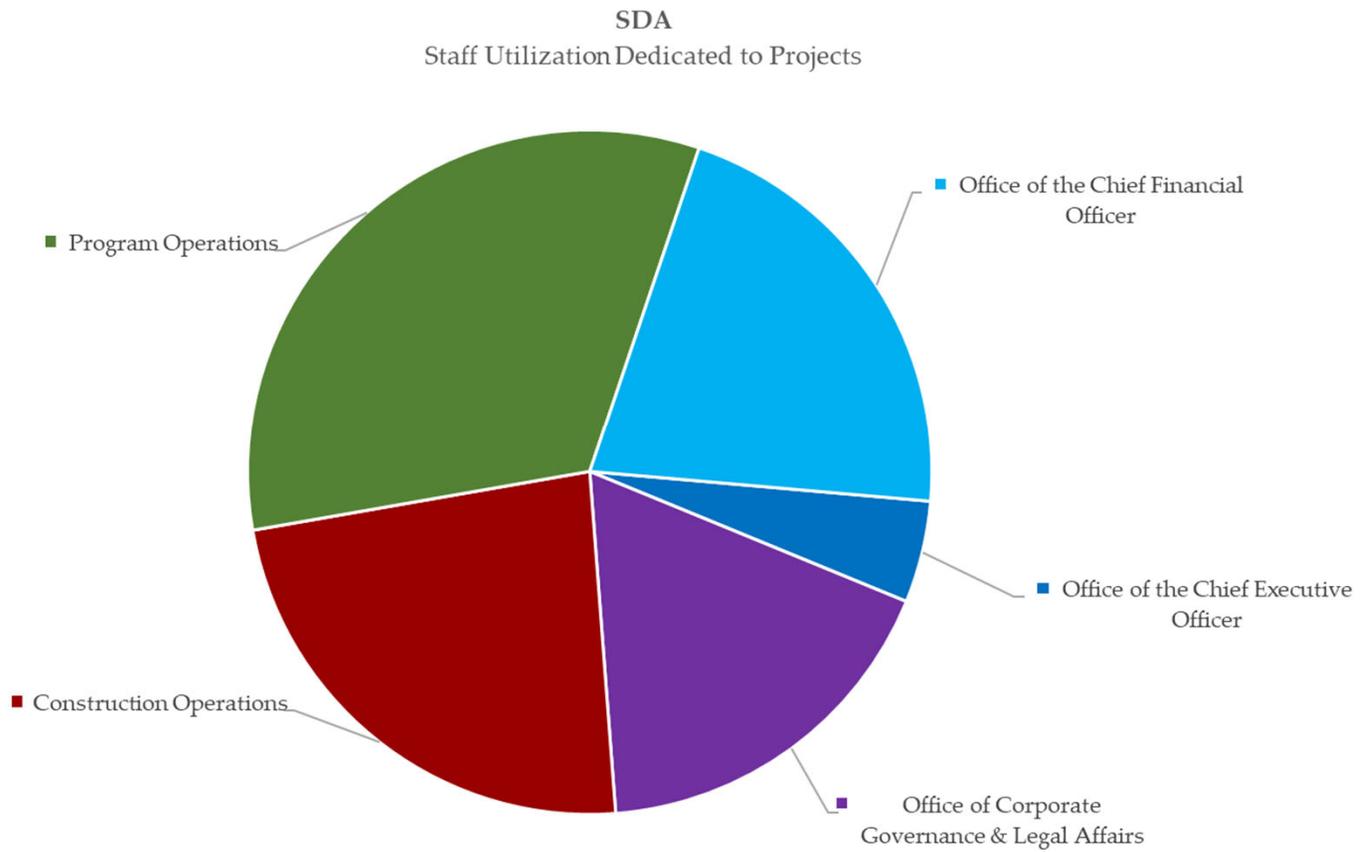
2023 Operating Budget
Forecasted Staff Utilization
December 7, 2022



2023 Forecasted Staff Utilization

Projected Staff Utilization by Activity Type - by Area





Resolution-5a.

**Resolution Approving the
2023 Staffing Plan
of the
New Jersey Schools Development Authority**

Resolution

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (N.J.S.A. 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business”, which bylaws were adopted by the Authority on August 15, 2007 and amended by the Board of Directors in May 2014 and September 2019; and

WHEREAS, Article IX, Section 9.1 of the Authority’s Bylaws (Bylaws) establishes the Audit Committee as a standing committee of the Authority; and

WHEREAS, the Audit Committee’s Charter (Charter) sets forth the authority, composition, meetings, voting, and other responsibilities of the Audit Committee; and

WHEREAS, on September 4, 2019, the Members of the Authority approved amendments to the SDA Bylaws and Charter to clarify and strengthen the Board’s oversight role in matters involving personnel and compensation; and

WHEREAS, among the amendments to the Bylaws and Charter approved by the Board are amendments requiring the annual establishment of a “Staffing Plan” for the Authority; and

WHEREAS, Article V., Section 5.1 of the SDA Bylaws requires that the SDA’s Chief Executive Officer, upon establishment of the Authority’s annual Staffing Plan as defined in Article I, Section 1.7 of the Bylaws, present the same for consideration and adoption by the SDA Board of Directors; and

WHEREAS, Section G.2 of the SDA Audit Committee Charter stipulates that the SDA Audit Committee as well as the Board shall review the annual Staffing Plan as submitted by the SDA Chief Executive Officer; and

WHEREAS, on November 21, 2022, the SDA Audit Committee conducted a detailed review of the 2023 Staffing Plan prepared and submitted by the Chief Executive Officer and recommends approval of the same by the SDA Board of Directors.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby adopt the 2023 Staffing Plan prepared and submitted by the SDA Chief Executive Officer for comprehensive review by the Authority’s Audit Committee on November 21, 2022, and for Board consideration and adoption on this date, and authorize its implementation.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Approval of SDA 2022 Staffing Plan, dated December 7, 2022

Dated: December 7, 2022

Proposed 2023 Operating Budget



MEMORANDUM

TO: The Members of the Authority

FROM: Manuel Da Silva, Chief Executive Officer
Donald Guarriello, Chief Financial Officer

RE: Proposed 2023 Operating Budget

DATE: December 7, 2022

Justification for Budget Request

Pursuant to Article V, Section 5.1.B of the Authority's By-Laws, the Chief Executive Officer is required to prepare and submit a proposed annual budget for the Authority for adoption by the Members. Accordingly, in support of the Authority's current and projected project activities and other initiatives, we are submitting to the Board of Directors for their consideration a calendar year 2023 Operating Budget of \$15.9M, an increase of \$157K as compared to the 2022 Operating Budget. The 2023 Operating Budget includes a proposed headcount of 150 full-time equivalents (FTE) which is a decrease of 25 FTE's from the current year budget. Combined with the prior four budget years, headcount is reduced by a total of 107 positions.

As discussed below, the Authority has recently approved amendments to its capital plan that will pave the way for advancement of 19 additional capital projects. As a result, although the proposed 2023 Operating Budget includes a 25 FTE decrease, in all likelihood, SDA's staffing will need to be increased during the 2024 budget year and beyond, as these projects evolve.

On June 30, 2022, New Jersey Governor Phil Murphy signed the Fiscal Year 2023 Appropriations Act ("FY2023 budget") into law which includes, a \$5.15 billion deposit into the Debt Defeasance and Prevention Fund. The FY2023 budget allocates a portion of the \$5.15 billion deposit to support critical capital investments throughout the state, including over \$1.9 billion for school facilities projects to be undertaken by the SDA. Precisely \$1.55 billion (of the \$1.9 billion) is allocated for the SDA Districts, and \$350 million is allocated for Regular Operating Districts. The Fiscal Year 2023 budget also directs \$75 million into the Authority's capital maintenance and emergent needs grants program to be allocated among the SDA Districts and Regular Operating Districts.

Furthermore, the SDA Board of Directors recently approved amendments to SDA's Capital Plan incorporating 19 additional capital projects for development, and has also authorized the

necessary funding to proceed with planning activities for these projects. The 19 capital projects will be funded by the \$1.55 billion authorized in the FY2023 budget.

The management and administration of a \$300 million to \$350 million a year School Construction Program requires significant human resources. These resources and the functional areas they support have diverse responsibilities and accountabilities, but frequently their work is interrelated and all are critical to the successful management and administration of the Program. Several functional areas directly or indirectly impact school facilities projects such as capital planning, project controls and budgeting, real estate, design, construction management, contract management, project insurance and safety. Several other functional areas directly or indirectly touch projects, although their involvement may not be as apparent. These include procurement, accounts payable and legal. The Authority also administers a grants program providing state funding to regular operating districts for school facilities projects. In fact, nearly 70% of SDA's employees either directly or indirectly touch school facilities projects.

The management and oversight of numerous school construction capital projects, emergent projects and a grants program is not possible without back office support and necessary control functions. These functional areas include human resources, payroll, information systems, records management, internal auditing, communications, corporate governance and financial and risk management, including accounting, operational budgeting, treasury operations and risk mitigation (i.e., insurance).

Budget Approach

To appropriately assign accountability, operating expenses are budgeted on a departmental basis. Departmental budget information supplied to the budget team is aggregated to arrive at divisional and Authority totals. Once approved, the budget is apportioned for 2023 monthly reporting.

Consistent with prior years, a portion of the Authority's employee salaries and benefits costs will be appropriately charged to school facilities projects based upon employee weekly time sheet data. For budget year 2023, the Authority has estimated the amount of such costs to be charged to school facilities projects at \$11.1M, which amount has been backed out of operating expense as presented in the attached materials.

Significant Operating Budget Variances

- Employee salaries charged to operating expense are projected to decrease by \$103K to approximately \$6.9M. The 2023 Operating Budget includes a proposed headcount of 150, which is a decrease of 25 positions from 2022. The amount of salaries estimated to be charged to school facilities projects is expected to decrease \$954K. This is due to several employee retirements/resignations taking place in 2022 and the starting dates for staff

replacements being staggered throughout the upcoming year – the majority of which are project-related staff members.

- Employee benefit costs charged to operating expense are projected to increase by \$116K as compared to the current year budget to approximately \$3.1M. This is primarily due to an increase in Health Insurance Costs of \$80K and an overall decrease in employee benefit costs charged to projects of \$208K – which serves to increase the remaining Operating Expense portion of benefit costs. These increases are partially offset by decreases in Social Security contributions of \$71K, Prescription Drug Insurance of \$66K and Dental Care costs of \$17K.

Overall, employee benefit costs are estimated to comprise approximately 45.00% of gross payroll in 2023. This represents an increase of 2.46% over the 2022 Budgeted figure of 42.54%.

- General Office & Facilities costs are expected to decrease by \$106K due mainly to a decreases in Office Supplies Expense of \$45K and Office Lease Expenses of \$34K.
- Information Systems expenses are \$235K higher than the current year budget due primarily to an increase in Technology Infrastructure Projects of \$186K, System Hardware of \$49K and Maintenance & Support of \$44K. These increases are offset by decreases in spending for PM Web, System Software and On-Line Subscription Services totaling approximately \$44K.
- Professional and Other Contracted Services are expected to decrease by \$74K for the 2023 Budget due mainly to a net decrease in Outside Legal Services of \$50K and OAL Annual Assessment of \$35K.
- Property & Casualty Insurance costs are anticipated to increase by \$86K for the 2023 Budget due primarily to market cycle changes. Currently, we are in what is called a “hard market” which in the industry is indicative of decreasing capacity for many types of insurance, resulting in an upsurge in insurance premiums. For SDA, Public Officials’ Liability, Umbrella Liability and Cyber Liability insurance premiums are expected to increase the most.
- The overall 2023 Operating Budget amount for SDA-owned automobile costs is unchanged from 2022. The 2023 Budget includes costs for the replacement of two SDA-owned vehicles nearing the end of their useful lives, which is increased by \$5K over the 2022 amount to reflect current pricing. This increase is offset by lower 2023 motor pool charges of \$5K. The SDA currently has eight vehicles that exceed 125,000 miles.

Proposed 2023 Capital Budget and Carryforward Items (Non-School Facilities Capital Projects)

- The 2023 budget does not anticipate any new SDA capital projects.

Accompanying Materials

The accompanying 2023 Operating Budget materials include the following: (1) Operating Budget Summary, (2) Operating Budget Details, (3) Employee Salaries and Fringe Benefit Expense Details, (4) Employee Headcount, (5) 5-Year Operating Budget Summary Comparison, (6) Capital Budget and Carryforward Items and, as Supplemental Information to the Budget, (7) Historical Data – Revenue & Expenditures for the Years 2000-2022.

Historical Perspective on the Authority's Operational Expenses

For the spending comparisons discussed in this section, operational expense dollar amounts are inclusive of Authority-wide employee salaries and benefits costs (i.e., both operating and project related). This is necessary in order to make a fair, apples to apples comparison of costs, since the Authority didn't begin charging a portion of its salaries and benefits costs to school facilities projects until the year 2013. Salaries and benefits costs appropriately charged to school facilities projects are based on employee time sheet data and standard costing.

During the period of several years through the end of 2009, the Authority experienced significant growth both in terms of staffing and operational expenses. As a result, by December 31, 2009, the Authority had 332 full time employees and its operational expenses for the same year were over \$43 million. By comparison, the Authority is projecting operational expenses for the proposed 2023 budget of approximately \$27.0 million, and a maximum headcount of 150.

Additionally, from 2010 through 2022 (projected), the Authority has saved more than \$100 million in total operational expenses when compared to 2009, the year Authority operational expenses reached their highpoint. Furthermore, during the same period the Authority reduced its headcount from 332 to 138 (SDA's current headcount plus six (6) vacant positions approved for backfill), a 58% reduction in staffing.

Since inception of the School Construction program, 95.7% of all SDA disbursements relate to school facilities projects and 4.3% relate to operational expenses.

Recommendation

The Members of the Authority are recommended to approve the proposed 2023 Operating Budget and 2023 Capital Budget and Carryforward Items as presented in the accompanying materials. The proposed 2023 Operating Budget is for the amount of \$15.9 million, and includes a headcount of 150. As discussed above, the 2023 budget does not anticipate any new SDA capital projects.

Prepared by: Robert Carney and James Wiegartner

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Presentation to the Board of Directors

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New Jersey Schools Development Authority

Proposed 2023 Operating Budget

Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget	2022 Reforecast	Over/(Under)	
				2023 Budget vs 2022 Budget	2023 Budget vs 2022 Reforecast
Personnel Expenses:					
Employee Salaries	\$ 14,535,760	\$ 15,593,100	\$ 13,072,645	\$ (1,057,340)	\$ 1,463,115
Employee Benefits	6,541,014	6,633,366	5,751,658	(92,352)	789,356
Direct Hire Temporary Employee Costs	48,443	48,443	48,443	-	-
Total Employee Salaries & Benefits Costs	21,125,217	22,274,909	18,872,746	(1,149,692)	2,252,471
<u>Less:</u> Employee Salaries Costs Charged to Projects	(7,640,240)	(8,594,438)	(6,903,286)	954,198	(736,954)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,487,316)	(3,695,608)	(2,936,657)	208,292	(550,659)
Salaries & Benefits Costs Charged to Operating Expense	9,997,661	9,984,863	9,032,803	12,798	964,858
Temporary Staffing Services	150,000	150,000	25,000	-	125,000
Travel & Expense Reimbursements	30,900	26,200	21,900	4,700	9,000
Training & Professional Development	94,806	98,499	67,000	(3,693)	27,806
Total Personnel Expenses	10,273,367	10,259,562	9,146,703	13,805	1,126,664
Non-Personnel Expenses:					
Facilities & General Office Expenses	2,342,477	2,448,559	2,263,799	(106,082)	78,678
Information Systems	1,612,500	1,378,000	1,214,893	234,500	397,607
Professional & Other Contracted Services	930,100	1,003,930	874,712	(73,830)	55,388
Property & Casualty Insurance	553,400	467,300	467,300	86,100	86,100
SDA-Owned Automobiles	145,000	145,000	125,000	-	20,000
Communications & Outreach	4,000	1,800	1,800	2,200	2,200
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	-	-
Total Operating Expenses	\$ 15,910,844	\$ 15,754,151	\$ 14,144,207	\$ 156,693	\$ 1,766,637
Total Full-Time Employees (FTEs)	150	175	132	(25)	18

New Jersey Schools Development Authority

Proposed 2023 Operating Budget

Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget
PERSONNEL EXPENSES:		
Employee Salaries & Benefits		
Employee Salaries	\$ 14,535,760	\$ 15,593,100
Employee Benefits	6,541,014	6,633,366
Direct Hire Temporary Employee Costs	48,443	48,443
Total Employee Salaries & Benefits Costs	21,125,217	22,274,909
<u>Less:</u> Employee Salaries Costs Charged to Projects	(7,640,240)	(8,594,438)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,487,316)	(3,695,608)
Total Salaries & Benefits Costs Charged to Operating Expense	9,997,661	9,984,863
Temporary Staffing Services	150,000	150,000
Travel & Expense Reimbursements		
Mileage Reimbursements	8,650	8,300
Tolls & Parking	22,250	17,900
Total Travel & Expense Reimbursements	30,900	26,200
Training & Professional Development		
Conferences & Seminars	32,451	36,369
HR Training - Authority Wide	15,000	15,000
Career Development	10,000	10,000
Publications & Subscriptions	19,730	19,590
Professional Memberships & Licenses	17,625	17,540
Total Training & Professional Development	94,806	98,499
TOTAL PERSONNEL EXPENSES	10,273,367	10,259,562
NON-PERSONNEL EXPENSES:		
FACILITIES & GENERAL OFFICE EXPENSES		
Office Leases & Parking		
Trenton	1,406,177	1,439,919
Total Office Leases & Parking	1,406,177	1,439,919
Telephone		
Private-VoIP	15,000	15,000
Cellular	132,000	132,000
Cellular - GPS/Engine & Maint Status	5,000	5,000
Total Telephone	152,000	152,000
Utilities		
Trenton Front St	215,000	215,000
Total Utilities	215,000	215,000

New Jersey Schools Development Authority

Proposed 2023 Operating Budget

Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget
Postage & Delivery		
Meter Usage	2,000	6,000
Post Office Box Rental	1,500	1,340
State of NJ	400	400
Package Delivery	5,000	5,000
Total Postage & Delivery	8,900	12,740
Furniture & Equipment		
Furniture Purchases	1,500	1,500
Equipment Purchases	1,500	1,500
Equipment Leases/Maintenance	65,000	65,000
Total Furniture & Equipment	68,000	68,000
Office Supplies		
Stationery & Supplies	20,000	30,000
Printer & Copier Paper	10,000	20,000
Toner	25,000	50,000
Business Cards	500	500
Total Office Supplies	55,500	100,500
Building Security		
Building Security	5,000	5,000
Total Building Security	5,000	5,000
Mechanical Maintenance		
Repairs & Maintenance	30,000	35,000
Common Area Maintenance Fees (Trenton)	372,000	382,000
Total Mechanical Maintenance	402,000	417,000
Other		
Refreshments & Supplies	12,500	21,000
Employee Services	4,400	4,400
Recruitment Expense	13,000	13,000
Total Other	29,900	38,400
TOTAL FACILITIES & GENERAL OFFICE EXPENSES	2,342,477	2,448,559
INFORMATION SYSTEMS		
Maintenance and Support	904,000	860,000

New Jersey Schools Development Authority

Proposed 2023 Operating Budget

Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget
Media Storage	32,000	31,000
System Supplies	30,000	30,000
System Software		
General	80,000	100,000
Software-CrowdStrike	15,000	-
Total System Software	95,000	100,000
System Hardware		
General	72,500	48,500
Server	25,000	-
Total System Hardware	97,500	48,500
Technology Projects		
Document Management	30,000	30,000
Authority Infrastructure Projects	206,000	20,000
PM Web Expense	45,000	75,000
Total MIS Projects	281,000	125,000
External Services		
Internet Service Provider	132,000	131,000
Other On-Line Subscription Services	35,000	44,500
Total External Services	167,000	175,500
Information Systems Staff Technical Training	6,000	8,000
TOTAL INFORMATION SYSTEMS	1,612,500	1,378,000
PROFESSIONAL & OTHER CONTRACTED SERVICES		
Auditing		
Independent Auditor Services	127,500	123,180
Internal Audit	189,000	183,750
Total Auditing	316,500	306,930
Outside Legal & Related Services		
Outside Legal Services-Litigation	250,000	450,000
Outside Legal Services-Other	150,000	-
DAG Legal Services	55,000	55,000
OAL Annual Assessment	25,000	60,000
Outside Legal & Related Services Total	480,000	565,000

New Jersey Schools Development Authority

Proposed 2023 Operating Budget

Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget
Other Professional Services		
ADP Services	50,000	50,000
Actuary Services	7,000	7,000
Total Other Professional Services	57,000	57,000
Other		
Document Storage (Off Site)	65,000	65,000
Computer Checks	600	500
Shredding Services	5,000	5,000
Bank Service Charges	6,000	4,500
Total Other	76,600	75,000
TOTAL PROFESSIONAL & OTHER CONTRACTED SERVICES	930,100	1,003,930
PROPERTY & CASUALTY INSURANCE		
Package-Owned	38,100	34,700
Automobile	38,200	39,500
Umbrella Liability	43,800	38,000
Umbrella Liability-Excess	58,000	40,000
Public Officials Liability	240,100	201,000
Public Officials Liability-Excess	86,500	72,400
Cyber Liability	36,300	30,000
Workplace Violence	6,700	5,600
Employee Dishonesty	5,700	6,100
TOTAL PROPERTY & CASUALTY INSURANCE	553,400	467,300
SDA-OWNED AUTOMOBILES		
Automobile Purchase Cost	65,000	60,000
State of NJ Central Motor Pool Charges	80,000	85,000
TOTAL SDA-OWNED AUTOMOBILES	145,000	145,000
COMMUNICATIONS & OUTREACH		
External Communications		
General	4,000	1,800
External Communications Total	4,000	1,800
TOTAL COMMUNICATIONS & OUTREACH	4,000	1,800
RESERVE FOR UNFORSEEN EVENTS & NEW INITIATIVES	50,000	50,000
TOTAL OPERATING EXPENSES	\$ 15,910,844	\$ 15,754,151

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget
Full-Time Employees (FTEs)		
Current Actives	132	156
Retirements, Resignations, Other Departures	18	19
Total Full-Time Employees	150	175

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Presentation to the Board of Directors

	Proposed 2023 Budget	2022 Budget	2023 Budget vs 2022 Budget
Employee Salaries:			
Employee Salaries	\$ 14,535,760	\$ 15,593,100	\$ (1,057,340)
Direct Hire Temporary Employee Costs	48,443	48,443	-
Total Employee Salaries	14,584,203	15,641,543	(1,057,340)
<u>Less:</u> Employee Salaries Costs Charged to Projects	(7,640,240)	(8,594,438)	954,198
Total Employee Salaries Charged to Operating Expense	6,943,963	7,047,105	(103,142)
Employee Benefits:			
Social Security	1,102,914	1,174,228	(71,314)
Unemployment Insurance	50,002	50,004	(2)
Workers Compensation Insurance	89,000	81,600	7,400
Long-Term Disability	90,737	95,140	(4,403)
Pension and Life Insurance	2,468,000	2,480,117	(12,117)
Health Insurance	1,876,923	1,796,671	80,252
Prescription Drug Insurance	403,939	469,968	(66,029)
Dental Care	121,999	139,388	(17,389)
Vision Care	22,500	26,250	(3,750)
Post Retirement Benefits	315,000	320,000	(5,000)
Total Employee Benefits	6,541,014	6,633,366	(92,352)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,487,316)	(3,695,608)	208,292
Total Employee Benefits Charged to Operating Expense	3,053,698	2,937,758	115,940
Total Salaries & Benefits Charged to Operating Expense	\$ 9,997,661	\$ 9,984,863	\$ 12,798
Fringe Benefit Rate	45.00%	42.54%	

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Presentation to the Board of Directors

SDA Division/Unit	Proposed 2023 Budget	Employee Headcount		Proposed Headcount vs.	
		2022 Budget	12/31/2022 Actual	2022 Budget	12/31/2022 Actual
Office of Chief Executive Officer (CEO)	2	3	2	(1)	-
Human Resources	4	4	3	-	1
Communications	3	3	3	-	-
Legislative Affairs	1	1	1	-	-
EEO/AA & Vendor Services	4	-	4	4	-
Office of Corporate Governance & Legal Affairs	4	5	4	(1)	-
Chief Counsel	7	8	7	(1)	-
Information Systems	12	13	12	(1)	-
Central Records Management	3	3	3	-	-
Safety	5	8	5	(3)	-
Internal Audits	2	3	2	(1)	-
Office of Construction Operations	-	-	-	-	-
Project Teams	22	26	22	(4)	-
Office of Program Operations & Strategic Planning	1	2	1	(1)	-
Capital Planning & Program Operations	10	7	10	3	-
Design Studio	12	16	12	(4)	-
Grants Administration	7	9	7	(2)	-
Real Estate Services & Predevelopment	2	4	2	(2)	-
Office of Chief Financial Officer	1	2	1	(1)	-
Financial Operations	7	7	7	-	-
Financial Accounting & Disbursements	11	10	9	1	2
Procurement	10	8	8	2	2
Risk Management	3	8	2	(5)	1
Property Management	-	2	-	(2)	-
Facilities	5	4	5	1	-
2022 Retirements, Resignations, Other Departures *	12	19	-	(7)	12
Total Full-Time Employees (FTEs)	150	175	132	(25)	18

* These replacement positions to be determined at a later time, on an as needed basis.

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Calendar Years 2023 - 2019

	2023 Budget	2022 Budget	2021 Budget	2020 Budget	2019 Budget
Personnel Expenses:					
Employee Salaries	\$ 14,535,760	\$ 15,593,100	\$ 16,287,680	\$ 17,827,447	\$ 20,620,593
Employee Benefits	6,541,014	6,633,366	7,087,010	7,333,500	8,459,920
Direct Hire Temporary Employee Costs	48,443	48,443	48,443	48,443	161,476
Total Employee Salaries & Benefits Costs	21,125,217	22,274,909	23,423,133	25,209,390	29,241,989
<u>Less:</u> Employee Salaries Costs Charged to Projects	(7,640,240)	(8,594,438)	(9,291,136)	(9,676,717)	(10,974,530)
<u>Less:</u> Employee Benefits Costs Charged to Projects	(3,487,316)	(3,695,608)	(3,828,243)	(3,959,253)	(4,648,810)
Salaries & Benefits Costs Charged to Operating Expense	9,997,661	9,984,863	10,303,754	11,573,420	13,618,649
Temporary Staffing Services	150,000	150,000	150,000	75,000	150,000
Travel & Expense Reimbursements	30,900	26,200	24,660	28,250	45,200
Training & Professional Development	94,806	98,499	94,140	70,000	155,400
Total Personnel Expenses	10,273,367	10,259,562	10,572,554	11,746,670	13,969,249
Non-Personnel Expenses:					
Facilities & General Office Expenses	2,342,477	2,448,559	2,690,240	2,581,911	2,696,673
Information Systems	1,612,500	1,378,000	1,458,500	1,256,640	1,425,500
Professional & Other Contracted Services	930,100	1,003,930	961,700	1,332,600	440,800
Property & Casualty Insurance	553,400	467,300	406,300	365,200	347,000
SDA-Owned Automobiles	145,000	145,000	150,000	100,000	195,000
Communications & Outreach	4,000	1,800	3,000	3,000	100,000
Reserve for Unforeseen Events & New Initiatives	50,000	50,000	50,000	50,000	50,000
Total Operating Expenses	\$ 15,910,844	\$ 15,754,151	\$ 16,292,294	\$ 17,436,021	\$ 19,224,222
Total Full-Time Employees (FTEs)	150	175	205	205	257

New Jersey Schools Development Authority
Proposed 2023 Operating Budget
Presentation to the Board of Directors

Description of Capital Item:	Budget Year	Current Budget Amount	Capital Expenditures - Actuals			Project Funds No Longer Required	2023 Budget and Carry-forward items
			2022	Pre-2022	Total		
PMWeb Software System:							
Software & Development - Consulting	2018-2021	\$ 1,300,000	\$ -	\$ 847,133	\$ 847,133	\$ (452,867)	\$ -
Development - SDA Staff Time	2019-2021	800,000	-	617,395	617,395	(182,605)	-
2023 Capital Projects *	2023	-	-	-	-	-	-
Totals			\$ -	\$ 1,464,528	\$ 1,464,528	\$ (635,472)	\$ -

* No new SDA capital projects are anticipated in 2023.

New Jersey Schools Development Authority
Cash Revenue & Expenditures - ACTUALS
For the Years Ended December 31, 2000 through 2022

Year	Revenue	Expenditures			EOY FTEs	Entity
		Projects	Operating	Total		
2000	\$1,515,988	\$0	\$640,556	\$640,556	N/A	EDA
2001	\$574,588,684	\$18,967,828	\$8,440,904	\$27,408,732	N/A	EDA
2002	\$596,112,907	\$460,970,915	\$12,759,157	\$473,730,072	N/A	EDA
2003	\$613,722,969	\$1,096,480,983	\$27,593,209	\$1,124,074,192	204	EDA
2004	\$1,708,454,297	\$1,289,801,167	\$29,726,836	\$1,319,528,003	250	EDA/SCC
2005	\$2,093,111,283	\$1,332,923,106	\$27,655,249	\$1,360,578,355	240	SCC
2006	\$640,148,585	\$1,069,330,378	\$30,832,220	\$1,100,162,598	241	SCC
2007	\$828,845,412	\$890,787,821	\$35,628,052	\$926,415,873	272	SCC/SDA
2008	\$464,421,866	\$880,936,507	\$40,701,100	\$921,637,607	298	SDA
2009	\$777,458,577	\$613,756,613	\$43,502,014	\$657,258,627	332	SDA
2010	\$496,621,171	\$282,888,651	\$41,695,616	\$324,584,267	304	SDA
2011	\$862,800	\$173,991,754	\$34,535,745	\$208,527,499	255	SDA
2012	\$375,435,837	\$189,648,010	\$32,495,152	\$222,143,162	241	SDA
2013	\$427,282	\$211,970,054	\$17,559,429	\$229,529,483	243	SDA
2014	\$585,287,172	\$288,876,308	\$15,355,679	\$304,231,987	227	SDA
2015	\$501,514,026	\$427,094,323	\$15,055,127	\$442,149,450	230	SDA
2016	\$345,113,521	\$391,156,388	\$16,119,496	\$407,275,884	229	SDA
2017	\$353,843,695	\$355,980,655	\$15,187,085	\$371,167,740	211	SDA
2018	\$357,212,504	\$341,112,915	\$16,363,155	\$357,476,070	222	SDA
2019	\$359,379,328	\$309,552,506	\$17,819,677	\$327,372,183	183	SDA
2020	\$2,740,129	\$293,539,122	\$13,840,305	\$307,379,427	174	SDA
2021	\$625,249,302	\$260,076,617	\$14,182,157	\$274,258,774	152	SDA
2022 (1)	\$79,500,000	\$313,900,000	\$13,900,000	\$327,800,000	138	SDA
Totals	\$12,381,567,335	\$11,493,742,621	\$521,587,920	\$12,015,330,541		

Expenditure Percentages **95.7%** **4.3%** **100.0%**

Maximum Employee Salaries (2010) **\$23,961,013**

Current Employee Salaries (December 31, 2022 Annualized) **\$13,296,000**

(1) Amounts for 2022 are based on eight (8) months of actuals plus four (4) months estimated.

Note: Beginning in 2013, the Authority began charging a portion of its salaries and benefits costs to school facilities projects. Salaries and benefits costs appropriately charged to school facilities projects are based on employee time sheet data and standard costing.

Resolution—5b.

Approval of the Fiscal Year 2023 SDA Annual Operating Budget

Resolution

WHEREAS, the New Jersey Schools Development Authority (SDA or the Authority) was established by law pursuant to P.L.2007, C.137 (NJSA 52:18A-235 et. seq.) as an entity “in but not of” the New Jersey State Department of the Treasury; and

WHEREAS, pursuant to law, the Authority is authorized to “adopt bylaws for the regulation of its affairs and the conduct of its business” and bylaws were adopted by the Authority on August 15, 2007 and amended in May 2014 and September 2019; and

WHEREAS, pursuant to Article IX of the Authority’s bylaws, there was established an SDA Audit Committee, the duties and responsibilities of which are set forth in the Audit Committee Charter; and

WHEREAS, pursuant to Article VII, Section 7.1 of the Authority’s bylaws, “the fiscal year of the Authority shall commence on the first day of January of each calendar year and conclude on the last day of December of the same calendar year; and

WHEREAS, pursuant to Article V. Section 5.1B of the Authority’s bylaws, the Authority’s “Chief Executive Officer shall prepare and submit a proposed annual budget for the Authority for each ensuing year for adoption by the members of the Authority”; and

WHEREAS, pursuant to Article V. Section 5.1B of the Authority’s bylaws, the Chief Executive Officer submitted to the Audit Committee for consideration a proposed operating budget for the Authority’s Fiscal Year 2023; and

WHEREAS, at its October 17, 2022 and November 21, 2022 meetings, the Audit Committee reviewed and discussed the Fiscal Year 2023 budget proposal submitted by the Chief Executive Officer; and

WHEREAS, pursuant to Article VII A.1 of the Audit Committee Charter and following deliberations, the Audit Committee recommends for approval by the Members of the Authority the \$15.9 million budget proposal recommended by SDA management for Fiscal Year 2023 and it is so presented in the attachment hereto.

NOW THEREFORE BE IT RESOLVED, that the Board hereby approves the attached Fiscal Year 2023 Annual Operating Budget for staffing, general and administrative expenses and capital expenditures in support of SDA operations totaling \$15.9 million and authorizes the Chief Executive Officer to expend funds on behalf of the Authority pursuant to this Budget as required.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Memorandum, Proposed Fiscal Year 2023 Annual Operating Budget, dated
December 7, 2022

Dated: December 7, 2022

**REPORT AND RECOMMENDATIONS OF THE REAL ESTATE COMMITTEE
(CHAIRMAN'S REPORT) – TO BE PROVIDED IN EXECUTIVE SESSION**

MONTHLY REPORTS
(For Informational Purposes)

ACTIVE PROJECTS STATUS REPORT



STATE OF NEW JERSEY
SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director

DATE: December 7, 2022

SUBJECT: Active Project Status Report
(For Informational Purposes Only)

The 1st section of the report includes an Activities Summary of projects identified for advancement in the Authority's Capital Plans.

The 2nd part of the report displays project completion milestones for all other active major capital projects and emergent projects for which a contract for construction has been awarded.

2011 & 2012 Portfolio Projects Activities Summary

as of 11/22/22

2011 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Bridgeton	Buckshutem ES	K-8	581	645	\$23.3	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Bock)	5/31/13
Bridgeton	Quarter Mile Lane ES	PK-8	731	795	\$39.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Bock)	5/31/13
Elizabeth	Frank J. Cicarell Academy (Academic HS)	9-12	1,091	1,284	\$64.1	Existing Design	School occupied Sep. 2016. (Patock)	12/8/11 7/11/12
Jersey City	Patricia M. Noonan ES (ES 3)	PK-5	778	848	\$54.0	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Dobco, Inc.)	6/25/12 2/25/13
Jersey City	Dr. Maya Angelou PS #20	K-5	628	698	\$49.3	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	4/17/12 3/6/13
Long Branch	Catrambone ES	PK-5	794	867	\$40.0	Existing Design	School occupied Sep. 2014. (Terminal Construction)	12/20/11
New Brunswick	Redshaw ES	PK-5	906	990	\$51.2	Kit of Parts/ Design-Build	School occupied Jan. 2015. (Hall Construction)	5/29/12
Newark	Oliver St. ES	PK-8	848	932	\$73.6	Kit of Parts/ Design-Build	School occupied May 2016. (Epic Management)	6/27/12 11/29/12
Paterson	Dr. Hani Awadallah ES (Marshall St. ES)	K-8	650	722	\$55.2	Existing Design	School occupied Sep. 2016. (Dobco, Inc.)	6/13/12 2/12/13
Paterson	PS 16	PK-8	641	705	\$62.4	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	3/27/12 8/28/13
West New York	Harry L. Bain PS 6	PK-6	736	814	\$16.8	Design-Bid-Build	School occupied Sep. 2017. (Paul Otto)	2/27/12 12/29/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

2011 & 2012 Portfolio Projects Activities Summary

as of 11/22/22

2012 Portfolio Projects - sorted by District

1

District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Gloucester City	Elementary/Middle School	4-8	687	763	\$65.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Terminal)	3/4/14
Keansburg	Caruso ES	K-4	758	842	\$50.9	Kit of Parts/ Design-Build	School occupied Sep. 2016. (Hall Construction)	10/20/11 6/27/13
Keansburg	Port Monmouth Road School	PK	318	318	\$28.4	Design-Bid-Build	Award for D-B approved Nov. 2019 Board. (Niram)	6/24/19
New Brunswick	Robeson ES	PK-5	823	893	\$48.5	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Hall Construction)	4/22/15
Newark	Elliot Street ES	PK-8	848	932	\$46.7	Kit of Parts/ Design-Build	School occupied Jan. 2016. (Hall Construction)	12/27/12
Newark	South Street ES	PK-8	597	657	\$69.9	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock)	6/28/13 6/29/15
Passaic	Dayton Ave. Campus	PK-8	2,760	3,020	\$240.9	Kit of Parts/ Design-Build	Award for D-B approved Nov. 2017 Board. (Terminal)	6/13/17
Phillipsburg	High School	9-12	1,846	2,172	\$127.5	Existing Design	School occupied Sep. 2016. (Epic Management)	9/27/12
West New York	Memorial HS	9-12	1,859	2,194	\$16.0	Alternative Delivery (acquisition) & Renovation	Acquisition of Existing St. Joseph's HS complete. Renovation work delegated to District via Grant.	n/a

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

2011 & 2012 Portfolio Projects Activities Summary

as of 11/22/22

2012 Portfolio Projects (Educational Priority that require further conversations with District & 2013 Amended Projects) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
East Orange	Sheila Y. Oliver Academy (GW Carver ES)	PK-5	470	512	\$41.2	Kit of Parts/ Design-Build	School delivered Sep. 2020 (Dobco)	4/26/16 1/20/17
Elizabeth	New ES @ Halloran PS #22 ES Site	2-8	860	956	\$55.3	Kit of Parts/ Design-Build	School occupied Sep. 2017. (Torcon)	6/9/14
Garfield	James Madison ES	K-5	275	305	\$29.7	Existing Design	School occupied Sep. 2018. (Brockwell & Carrington)	2/19/14 6/30/15
Harrison	New ES	PK - 1	392	432	\$36.1	Kit of Parts/ Design-Build	School delivered Nov. 2020 (Dobco)	11/10/15 7/13/16
Irvington	Madison Avenue ES	PK-5	463	504	\$38.6	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Bock)	11/19/15 8/16/16
Millville	Senior HS Addition/Renovation	HS	2,026	2,384	\$145.0	Design-Build	Award for D-B approved Apr. 2017 Board. (Hall Construction)	9/30/16
Passaic	Sonia Sotomayor ES (New ES @ Leonard Place)	K-5	628	698	\$55.9	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Dobco, Inc.)	8/13/15
Paterson	New MS @ Union Ave.	6-8	996	1107	\$113.9	Design-Build	Award for D-B approved Sep. 2018 Board. (Epic Management)	3/2/17 4/26/18
Pemberton	Denbo-Crichton ES	PK-5	846	930	\$58.7	Design-Build	School delivered Sep. 2020. (Bock)	3/1/17 9/13/17
Perth Amboy	High School	HS	2,800	3,295	\$283.8	Design-Build	Award for D-B approved Nov. 2019 Board. (Terminal)	3/26/19
Perth Amboy	Rose M. Lopez ES (Seaman Avenue ES)	K-5	724	804	\$56.4	Kit of Parts/ Design-Build	School occupied Sep. 2019. (Epic Management).	2/3/16
Plainfield	New Woodland ES	K-5	756	840	\$59.4	Kit of Parts/ Design-Build	Award for D-B approved Feb. 2020 Board. (Epic Management)	5/23/18 8/29/19
Union City	New Grade 7 to 9 School	7-9	756	840	\$75.5	Kit of Parts/ Design-Build	Award for D-B approved Jun. 2022 Board. (Dobco, Inc.)	5/19/21 11/15/21
Vineland	Lincoln Ave. MS (New MS)	6-8	562	624	\$49.8	Kit of Parts/ Design-Build	School occupied Sep. 2018. (Bock).	9/24/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.
NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions.
 Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

2011 & 2012 Portfolio Projects Activities Summary

as of 11/22/22

2012 Portfolio Projects (Facilities Deficiencies) - sorted by District

1								
District	Project	Grade Alignment	FES Capacity	Max. Capacity	Total Estimated Cost (millions)	Design Status	Advancement Status	Projected Construction Advertisement Date*
Camden	High School	9-12	1,244	1,468	\$132.6	Design-Build	School occupied Sep. 2021 (Bock)	6/9/17 3/23/18
Hoboken	Demarest ES	ES	TBD	TBD	TBD	Design-Bid-Build	Pre-Design Services ongoing.	TBD
Orange	Cleveland St. ES	PK-6	316	348	\$38.9	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Brockwell & Carrington)	9/10/18 11/14/18
Orange	High School	9-12	1,440	1,694	\$56.1	Design-Bid-Build	Award for GC approved Mar. 2019 Board. (Terminal)	10/12/18
Trenton	Central HS	10-12	1,850	2,176	\$155.4	Design-Build	School occupied Sep. 2019. (Terminal)	12/19/14 9/29/15

***PLEASE NOTE** - Dates in the Past are ACTUAL. Includes Advertisement dates for Early Site Preparation Construction & School Construction where applicable.

NOTE # 1 - Estimated Costs, Grade Alignment and Capacity are based upon approved Project Charters where applicable. For projects without an approved charter, Estimated Costs, Grade Alignment and Capacity are based upon Planning Assumptions. Recommendations of DOE/SDA/District Working Groups may impact this information in the future.

Active Project Status Report

Status as of 11/1/2022

Major Capital Projects - With Contract for Building Construction Awarded

#	District	Project Name	Project Scope	Project Status	Substantial Completion	Status Substantial Completion	School Opening	Status of School Opening	Total Estimated Project Cost
1	City of Orange	Cleveland Street ES	Addition/Renovation	Construction	Under Review	Under Review	Under Review	Under Review	\$ 38,860,332
2	City of Orange	Orange High School	Addition/Renovation	Construction	4Q 2022	On-target	Phased	On-target	\$ 56,063,605
3	Keansburg	Port Monmouth Road School	Addition/Renovation	Construction	4Q 2022	On-target	Sep-22	Achieved	\$ 28,440,130
4	Millville	Millville Senior High School	Addition/Renovation	Construction	4Q 2022	On-target	Phased	On-target	\$ 145,005,733
5	Perth Amboy	New High School	New Construction	Construction	2Q 2024	On-target	Sep-24	On-target	\$ 283,830,000
6	Plainfield	New Woodland ES	New Construction	Construction	3Q 2023	On-target	Sep-23	On-target	\$ 59,440,000
7	Union City	New Grade 7 to 9 School	New Construction	Design-Build Design	3Q 2025	On-target	Sep-25	On-target	\$ 93,696,300

Active Project Status Report

Status as of 11/1/2022

Emergent Projects - With Contract for Construction Awarded

#	District	Project Name	Project Scope	Project Phase	Substantial Completion	Status Substantial Completion	Final Completion	Status of Final Completion	Total Estimated Project Cost
1	Irvington	Grove Street School	Boiler Replacement	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 3,762,782
2	Newark	Cleveland School	Boiler Room Vault Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	2Q 2023	On-Target	\$ 1,664,389
3	Newark	Malcolm X. Shabazz HS	Structural Repairs	Construction	3Q 2022	Achieved	4Q 2022	On-Target	\$ 3,189,000
4	Newark	Roberto Clemente School	Sub-Basement Water Infiltration	Construction	3Q 2022	Achieved	4Q 2022	On-Target	\$ 1,456,800
5	Newark	Techonology High School	Structural Vault Repairs and Façade Repairs	GCTO w/ Design Design Phase	2Q 2023	On Target	3Q 2023	On-Target	\$ 2,867,680
6	Paterson	PS #5	Roof Replacement & Masonry Repairs	Construction	4Q 2022	Achieved	4Q 2022	On-Target	\$ 10,968,112

PROJECT STATUS REPORT



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director – Program Operations

DATE: December 7, 2022

SUBJECT: Executive Summary – Monthly Project Status Reports

MONTHLY PROJECT STATUS REPORT

Projects that have Expended 75% or More of Board Approved Contingency:

No activity during the reporting period

Projects Greater than 90 Days Behind Schedule:

No activity during the reporting period

Revisions to Project Charters:

No activity during the reporting period

Projects that have Expended 75% or More of Board Approved Contingency

Reporting Period: January 2008 to October 2022

District	Project	Board Approved Project Charter Contingency	Contingency Expended/Committed	Contingency Remaining ¹	% of Contingency Expended/Committed	Project Completion %	Cause(s)	Current Status
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In Construction

Millville	Millville Senior HS - Addition & Renovation	\$5,000,000	\$5,000,000	\$0	100.0%	86%	Board approved additional building condition repair work and flood hazard area mitigation work added to the project.	Project is in construction and scheduled for completion per the original schedule. Revised Final Project Charter approved by the CEO in June 2021 to allocate additional contingency to the project from the Unforeseen Events Reserve.
Orange	Orange HS - Addition & Renovation	\$4,525,000	\$4,525,000	\$0	100.0%	92%	Unforeseen conditions related to the site and renovation portions of the project and connection of the HS to the Orange Preparatory Academy.	Project is in construction and scheduled for completion this year. Revised Final Project Charter approved by the CEO to allocate additional contingency to the project from the Unforeseen Events Reserve.

Substantially Complete & Building Occupied

Please refer to the Project Close-Out Activity Report for status of close-out activities

Newark	Speedway Avenue E.S.	\$1,826,000	\$1,754,119	\$71,881	96.1%	99%	1. Removal of unforeseen impacted materials	Project complete and building occupied. Project close-out pending resolution of open contracts.
West New York	West New York P.S. #2	\$2,708,883	\$2,708,883	\$0	100.0%	99%	1. Unforeseen site foundation issues	Project complete and building occupied. Project close-out pending resolution of open contracts.

¹ Does not include expended contingency or contingency funds allocated for change orders, amendments

Projects Greater than 90 Days Behind Schedule or with Occupancy Date in Jeopardy

Reporting Period: October 2022

#	Event Date	District	Project	Board Approved Project Charter SubComp Date	Current Contract SubComp Date	Forecasted Contract SubComp Date	# of Days Behind Schedule	Cause(s)	Current Status
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No Data During the Reporting Period

Revisions to Project Charters

Reporting Period: October 2022

#	District	Project	Financial & Schedule Impacts	Additional Funds Approved	Additional Funds as % of Total Project Budget	Operating Authority Approval Requirement	Description of Revision
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No Data During the Reporting Period

CONTRACTS EXECUTED REPORT/AMENDMENTS & CHANGE ORDERS REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: December 7, 2022

SUBJECT: Contracts Executed Report and Amendments & Change Orders Report
(For Informational Purposes Only)

Contracts Executed Report

This report contains the activity of Contracts executed during the period October 1 through October 31, 2022.

Noteworthy Items during the reporting period:

- No activity during the reporting period.

Amendments & Change Orders Report

This report contains the activity of Amendments and Change Orders executed during the October 1 through October 31, 2022.

Noteworthy Items during the reporting period:

- 3 Professional Services Amendments were executed during the reporting period totaling \$186 thousand, of the 4 executed amendments 1 required Board approval totaling \$175 thousand.
- 19 Construction Services Change Orders were executed during the reporting period totaling \$152 thousand, of the 19 executed change orders 1 required Board approval totaling \$210 thousand.

Report of change orders less than \$10,000 yet requiring Board Approval

In accordance with the Operating Authority adopted by the Members on December 1, 2010 as amended on March 7, 2012, the Members are to be provided a report of any change order which received delegated approval by the CEO due to the fact that they are valued at less than \$10,000 yet require Board approval due the total change orders exceeding 10% of the contract value.

- No Activity to Report



Amendments & Change Orders Report

Reporting Period: 10/1/2022 through: 10/31/2022

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %	
Professional Services														
Design Consultant														
City Of Orange Township	Cleveland Street E.S.	ES-0043-A01	9/3/2015	20	Lan Associates, Engineering, Planning, A	10/5/2022	\$1,820,017	\$732,478	\$175,000	Y	9/7/2022	\$2,727,495	49.86%	
Millville	High School	ST-0046-A01	5/1/2014	7	RSC Architects	10/28/2022	\$2,304,130	\$210,454	\$20,570			\$2,535,154	10.03%	
Newark	Harriet Tubman E.S.	EP-0115-A01	8/21/2018	2	Netta Architects, LLC	10/13/2022	\$148,000	(\$97,962)	(\$9,688)			\$40,350	-72.73%	
Design Consultant														
Professional Services														
									\$185,882					
Construction Services														
Contractor														
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	208	Terminal Construction Corp.	10/4/2022	\$37,000,000	\$6,972,892	\$1,330			\$43,974,222	18.84%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	211	Terminal Construction Corp.	10/4/2022	\$37,000,000	\$6,974,222	\$1,166			\$43,975,389	18.85%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	216	Terminal Construction Corp.	10/4/2022	\$37,000,000	\$6,975,389	\$1,019			\$43,976,407	18.85%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	198	Terminal Construction Corp.	10/5/2022	\$37,000,000	\$6,976,407	\$3,023			\$43,979,430	18.86%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	206	Terminal Construction Corp.	10/5/2022	\$37,000,000	\$6,979,430	\$1,386			\$43,980,816	18.86%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	196	Terminal Construction Corp.	10/13/2022	\$37,000,000	\$6,980,816	\$4,578			\$43,985,394	18.87%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	209	Terminal Construction Corp.	10/13/2022	\$37,000,000	\$6,985,394	\$1,273			\$43,986,667	18.88%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	219	Terminal Construction Corp.	10/13/2022	\$37,000,000	\$6,986,667	\$3,339			\$43,990,007	18.89%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	200	Terminal Construction Corp.	10/27/2022	\$37,000,000	\$6,990,007	\$2,930			\$43,992,937	18.89%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	201	Terminal Construction Corp.	10/27/2022	\$37,000,000	\$6,992,937	\$2,056			\$43,994,993	18.90%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	199	Terminal Construction Corp.	10/28/2022	\$37,000,000	\$6,994,993	\$2,933			\$43,997,926	18.91%	
City Of Orange Township	Orange H.S.	ES-0042-C01	4/29/2019	220	Terminal Construction Corp.	10/28/2022	\$37,000,000	\$6,997,926	\$6,157			\$44,004,083	18.92%	
Neptune Township	Green Grove E.S.	ET-0026-C02	6/28/2022	1	Epic Management, Inc.	10/5/2022	\$433,090	\$0	\$210,000	Y	9/7/2022	\$643,090	48.48%	
Newark	Roberto Clemente E.S.	EP-0110-C01	5/25/2021	2	Catcord Construction Co., Inc.	10/28/2022	\$768,800	\$8,348	\$19,909			\$797,057	3.67%	
Paterson	Number 5 E.S.	EP-0113-C01	6/15/2021	12	Paul Otto Building Co., Inc.	10/26/2022	\$7,494,000	\$116,434	\$40,318			\$7,650,752	2.09%	



Amendments & Change Orders Report

Reporting Period: 10/1/2022 through: 10/31/2022

District	School Name(s)	Contract Number	Contract Execution Date	CO #	Vendor Name	CO Execution Date	Contract Award Amount	Prior CO's (cumulative)	Current CO Amount	Board Approval Required	Board Approval Date	Revised Contract Amount	Cumulative CO %
Union City (Hudson Co.)	New Grade 7 to 9 School	HU-0029-N01	9/8/2021	1	Ambient Group, LLC (The) t/a Ambient	10/31/2022	\$567,700	\$0	(\$100,000)			\$467,700	-17.61%
Union City (Hudson Co.)	New Grade 7 to 9 School	HU-0029-N01	9/8/2021	2	Ambient Group, LLC (The) t/a Ambient	10/31/2022	\$567,700	(\$100,000)	(\$107,252)			\$360,448	-36.50%
Millville	High School	ST-0046-B01	5/24/2017	51	Hall Construction Co., Inc.	10/26/2022	\$114,453,000	\$8,133,491	\$37,403			\$122,623,894	7.13%
Millville	High School	ST-0046-B01	5/24/2017	52	Hall Construction Co., Inc.	10/26/2022	\$114,453,000	\$8,170,894	\$20,454			\$122,644,348	7.15%

Contractor	
Construction Services	\$152,022

Total Change Order Summary	Total Change Orders
\$337,904	22

Grand Totals

Column Description Legend

CO Execution Date	Date the Change Order was entered into the SIMS system
Revised Contract Amount	Current value of the contract (excluding additional assignments) including current change order

CONTRACT TERMINATIONS REPORT *(no activity)*

SETTLEMENT CLAIMS *(no activity)*

DIVERSITY AND WORKFORCE PARTICIPATION REPORT



MEMORANDUM

TO: Members of the Authority

FROM: J Manuel Castillo, Director - EEO/Affirmative Action & Vendor Services

DATE: December 7, 2022

SUBJECT: Diversity and Workforce Participation Monthly Update for September 2022

The EEO/Affirmative Action & Vendor Services Team consistently participates in mandatory pre-bid and pre-construction meetings to inform and provide guidance to bidders regarding SDA’s Small Business Enterprise (SBE) and Workforce goals, policies and procedures. The guidance provided in such meetings is on, among other things, the following:

- SBE subcontracting goal of 25% of all contracts
- County workforce goals for minorities and females
- Local county workforce goals for minorities and females
- Detailed process procedures to monitor and track the progress made toward these goals throughout the life cycle of each project

During these meetings, our Team strongly encourages vendors to identify and hire minority-owned, women-owned and disabled veteran-owned firms, as well as locally based enterprises, for diverse business participation on all school building projects. Our Team provides vendors outreach strategies for them to analyze and utilize.

SMALL BUSINESS ENTERPRISE ATTAINMENT

The SDA regularly exceeds the State-mandated 25% SBE goal. The total SDA contract dollars awarded through September 30, 2022 was \$11,467,380. The total contract dollars awarded to all SBE contractors was \$4,328,386 (including minorities, women and veterans). This represents an initial participation of 37.75% of all SDA contracts awarded in calendar year 2022. Participation will continue to increase as the Prime contractor hires additional subcontractors/subconsultants throughout the lifecycle of the construction project.

Diversity Breakdown

Type of Business Enterprise	Contract Amount	% of Total SDA Contracts
Small Business Enterprises	\$ 3,603,111	31.42%
Small/ Minority Business Enterprises	\$ 645,275	5.63%
Small/Women Business Enterprises	\$ 80,000	0.70%
Small/Minority/Women Owned Business Enterprises	\$ -0-	0.00%
Small/Veteran Owned Business Enterprises	\$ -0-	0.00%
Small/Disabled Veteran Owned Business Enterprises	\$ -0-	0.00%
TOTAL DIVERSITY CONTRACTS	\$ 4,328,386	37.75%

WORKFORCE PARTICIPATION

For the month of September 2022, there was a contractor workforce of 600 on SDA projects. This represents a total of 48,691 contractor workforce hours. This is explained in more detail below:

Contractor Workforce Breakdown (All Trades/Districts/Counties)			
Ethnicity	Total Workforce	Total Workforce Hours	Workforce Hours Percentage
Black	50	4,747	9.75%
Hispanic	153	11,087	22.77%
American Indian	2	158	0.32%
Asian	1	104	0.22%
Total Minority Participation	206	16,096	33.06%
Total Non-Minority Participation	394	32,595	66.94%
Total Contractor Workforce	600	48,691	100.00%

There was a contractor workforce of 410,983 total workforce hours and 5,637 total female workforce hours on SDA projects for the period of January 1, 2022 through September 30, 2022. The following table highlights the *Local County Contractor Workforce* participation for this period:

Local County Contractor Workforce Participation	Workforce Hours	Percentage
*Total Workforce Hours	410,983	100.00%
*Total Local County Workforce Hours	49,473	12.04%
Total Local County Non-Minority Workforce Hours	25,915	6.31%
Total Local County Female Workforce Hours	0	0.00%
Total Local County Minority Workforce Hours	23,558	5.73%
**Local County Workforce Hours by Ethnicity:		
Black	7,861	1.91%
Hispanic	15,697	3.82%
American Indian	0	0.00%
Asian	0	0.00%

*Total workforce and total local county workforce represent all laborers including females.

**Ethnicity breakdown of Total Local County Minority Workforce Hours.

NOTE: Hours worked by female laborers who are minority are included in total number of hours worked by female laborers. Therefore, hours worked by female minority laborers are not included in the minority breakdown.

The following table represents contractor minority and female workforce for all SDA active Capital Projects and all active and completed Emergent Projects for the period of January 1, 2022 through September 30, 2022.

SDA Managed Project	Total Workforce Hours	Minority Workforce Hours & Percentage		Local County Workforce Hours & Percentage	
Port Monmouth Road School	28,869	6,728	23.31%	0	0.00%
Millville HS	70,536	17,982	25.49%	8,521	12.08%
Union Ave MS	671	165	24.59%	0	0.00%
Orange HS	14,355	4,369	30.44%	160	1.11%
Perth Amboy HS	207,499	60,282	29.05%	11,528	5.56%
Plainfield ES	76,727	23,650	30.82%	28,264	36.84%
Emergent Projects	10,825	5,037	46.53%	0	0.00%

Prepared by: Charlotte Brooks

REGULAR OPERATING DISTRICTS (RODs) ACTIVITY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: Gregory Voronov
Managing Director, Program Operations

DATE: December 7, 2022

SUBJECT: Regular Operating District Grant Activity Report
(For Informational Purposes Only)

This report summarizes the Regular Operating District Grant activity from inception to date and for the month of October 2022. Also included is a detailed list of grants executed and grants offered during the reporting period if applicable.

Monthly Update:

- No grants were offered during the reporting period.
- No grants were executed during the reporting period.
- No grants were closed out during the reporting period.
- Since inception, over \$2.9B has been disbursed to 524 regular operating districts through the grant program.
- Since inception over \$3.3B in funding has been approved by the Department of Education and offered to regular operating districts through the grant program.



SCHOOLS DEVELOPMENT AUTHORITY

Monthly Regular Operating District Grant Report - Summary

October 2022

ROD Grant Summary Since Program Inception				
	Offered ¹	Executed	Closed-Out	Active
Districts Impacted	-	524	520	51
Number of Grant Projects	-	5,404	5,205	199
Total Project Cost Estimate	\$ -	\$ 8,941,954,169	\$ 8,787,304,661	\$ 154,649,508
Grant Amount	\$ -	\$ 3,001,205,813	\$ 2,926,958,054	\$ 74,247,759
Amount Disbursed	N/A	\$ 2,950,927,339	\$ 2,926,958,054	\$ 23,969,284

Total Funding Offered to School Districts via Grant Program	\$ 3,342,209,450
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Total ROD Grant Funding remaining for new Grant Projects	\$ 118,277,139
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1. Includes grants that have been offered to District's but have not yet been executed.

Monthly Activity ROD Grant Summary		
	Executed	Closed-Out
Districts Impacted	-	-
Number of Grant Projects	-	-
Total Project Cost Estimate	\$ -	\$ -
Grant Amount	\$ -	\$ -
Amount Disbursed	NA	\$ -

* Report is inclusive of all Regular Operating Districts grants (including vocational school districts).

** Total Project Cost Estimate and Grant Amount may be adjusted as the projects advance. Grant Amount is capped at the value approved in the DOE Final Eligible Cost Approval.

**NOTIFICATION OF AMENDMENTS TO GOODS AND SERVICES CONTRACTS NOT
EXCEEDING \$100,000 OR 10% OF THE CONTRACT VALUE (*no activity*)**

COMMUNICATIONS MONTHLY REPORT



MEMORANDUM

TO: Members of the Authority

FROM: /s/ Edye Maier, Director of Communications

DATE: December 7, 2022

SUBJECT: Monthly Communications Report

SDA Staff Share Information at NJSBA Workshop

On October 25 and 26, SDA staff attended the New Jersey School Boards Association 2022 Workshop. SDA staffed an exhibit booth for two days in order to provide updates on SDA programs and funding available to school districts throughout the State. While there, CEO Manuel Da Silva also presented at a meeting of Great Schools New Jersey.



SDA Presents at Alliance For Action Annual Construction Forecast Seminar

On October 28, CEO Manuel Da Silva, presented at the Alliance For Action's Annual Construction Forecast Seminar. Mr. Da Silva provided attendees with an overview of the SDA program, recently approved funding for the school construction program, and forecasted construction opportunities that will be available with the SDA in 2023.

MONTHLY FINANCIAL REPORT



MEMORANDUM

TO: The Members of the Authority

FROM: Sherman E. Cole, MBA, CPA /s/
Controller

DATE: December 7, 2022

SUBJECT: Monthly Financial Report – October 2022

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Budget)

For October 2022 year to date, Authority operating expenses, **\$11.5M**, are **\$2.0M** lower than budget for the corresponding period. This variance is attributable to lower personnel costs as compared to budget, **\$3.2M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$2.3M**. Other contributing factors include lower spending for contracted services, **\$463K**, general office expenses, **\$310K**, and information system purchases, **\$286K**.

The full time employee (FTE) headcount is 131 as of October 31, 2022. This total represents a 39 FTE decrease in comparison to the year to date budget.

Fund Reporting Operating Expenses (Year-to-Date Actual vs. Prior Year Actual)

For October 2022 year to date, Authority operating expenses, **\$11.5M**, are **\$288K** lower when compared to the corresponding prior year. This variance is due to a decrease in year over year employee salary and benefit costs, **\$2.1M**, partially offset by a lower payroll and benefits expense allocation to project costs, **\$1.6M**.

The current number of FTEs, 131, is down 23 FTEs as compared to the corresponding prior year.

School Facilities Project Expenditures (Year-to-Date Actual vs. Forecast)

For October 2022 year to date, project expenditures, **\$237.7M**, are **\$12.2M** higher than the capital spending forecast for the corresponding period. This variance is due to higher than forecasted spending for grant activity, **\$60.4M**, offset by lower than forecasted spending for construction work, **\$39.6M**, project insurance, **\$3.0M**, payroll expense allocation, **\$2.3M**, design services, **\$1.5M**, and school furniture and fixtures, **\$1.4M**.

School Facilities Project Expenditures (Year-to-Date Actual vs. Prior Year Actual)

For October 2022 year to date, project expenditures **\$237.7M**, are higher by **\$20.6M**, when compared to the corresponding prior year. This variance is related to increased spending activity in grants, **\$70.0M**, offset by a decrease in spending activity for construction work, **\$38.2M**, school furniture and fixture, **\$6.1M**, project insurance, **\$1.8M**, payroll expense allocation, **\$1.6M**, and CM services, **\$1.6M**.

Other

Since program inception, 77.9% of the funds authorized for the SDA Districts have been disbursed. Additionally, since program inception, 96% of all SDA disbursements relate to school facility projects and 4% relate to operating expense.

The estimated value of active school facilities, capital, emergent and ROD grant projects is approximately \$1.2B.

Attachment

New Jersey Schools Development Authority
Monthly Financial Report
October 2022
(Unaudited)

New Jersey Schools Development Authority

Overview of Financial Position

October 31, 2022

To: The Audit Committee

From: Sherman E. Cole, Controller

The information contained in this monthly financial report is for the period as of, and for the year-to-date ending, October 31, 2022.

► Overall **Cash and Cash Equivalents** have decreased by \$169.4 million to \$451.7 million, as follows:

■ Receipt of bond and note proceeds (Issued by EDA)	\$	-
■ Appropriation from State		75,000,000
■ Investment earnings		3,776,673
■ Miscellaneous revenue		22,660
■ Project costs		(237,659,194)
■ SDA operating expenses		(11,823,375)
■ SDA capital expenditures		-
■ Deposits (primarily district local shares)		1,257,207
Net Change in Cash	\$	(169,426,029)

► **Prepaid Expenses** total \$148,605 as follows:

- Prepaid insurance of \$93,139.
- Prepaid security deposit of \$1,950 for the Authority's flexible spending accounts.
- Prepaid MIS maintenance service contracts of \$51,162.
- Other prepaids of \$2,354.

► **Capital Assets** total \$1,101,626 (net of accumulated depreciation of \$5,054,473), consisting of leasehold improvements (SDA office), and capitalized software, equipment, furniture and fixtures in support of SDA operations. Depreciation on capital assets is generally calculated using the straight-line method over the life of each asset. For the year to date, **Capital Expenditures** are \$0 and **Depreciation Expense** is \$454,674.

► **Accrued Liabilities** total \$92.6 million, as follows:

- Accrued project costs of \$32.1 million consisting of unpaid invoices (\$13.4 million) and retainage (\$18.7 million).
- Net pension liability of \$25.0 million.
- Other post-employment benefits obligation of \$30.0 million.
- Pollution remediation obligations (PRO) under GASB 49 net to \$2.1 million (PRO liability \$2.1 million, offset by expected cost recoveries of \$0 million).
- Estimated liability for loss contingencies totaling \$1.6 million.
- Payroll related liabilities of \$1.6 million.
- Other accrued liabilities of \$0.2 million.

► **Deposits** total \$7.9 million, as follows:

- \$7.9 million is held for local share agreements (pass-through item).

► The Authority's **Net Position** at month end is \$328.7 million.

New Jersey Schools Development Authority

School Facilities Project Expenditures & Funding Allocation

October 31, 2022

► **School Facilities Construction Bond/Note Proceeds/Appropriations & Project Expenditures**

- During the current year to date, the SDA has received \$0 million in bond/note proceeds & \$75 million in appropriations. The total amount received since program inception is \$12.2 billion.
- Project expenditures for the month and year-to-date periods total \$16.5 million and \$237.7 million, respectively, as follows:

<u>Category</u>	<u>Current Month</u>	<u>Year-To-Date</u>	<u>Since Inception</u>
Construction	\$ 12,141,884	\$ 133,285,011	\$ 5,632,526,945
Design Services	217,759	79,195	412,822,039
PMF/CM Services	243,755	3,751,683	478,920,770
SDA Project Management	798,984	7,860,709	129,478,316
Property Acquisition, Relocation & Enviro	186,776	1,483,135	586,399,402
School Furniture, Fixtures & Equipment	1,524,333	13,314,750	234,710,235
Project Insurance	959,209	8,580	114,599,968
NJ State Inter-Agency Transfers	-	-	52,505,486
SDA District Grant & Funding Agreements	-	51,138,811	930,103,546
Regular Operating District Grant Agreements	328,095	25,872,557	2,980,557,851
Real-Time Project Audits	29,816	248,298	1,039,007
Property Management, Maintenance & Utils	7,391	251,111	19,105,527
Outside Legal & Claims Resolution Services	10,959	188,920	11,702,505
Temporary Staffing	-	47,025	10,723,589
Other Project Costs	13,274	129,409	62,322,012
Project Credits	-	-	(54,902,944)
Total Project Expenditures	16,462,235	237,659,194	11,602,614,254
Less: Local Share Contributions	-	-	(185,112,439)
Project Expenditures (State Share)	\$ 16,462,235	\$ 237,659,194	\$ 11,417,501,815
2022 Capital Spending Forecast	\$ 20,276,106	\$ 225,492,756	

Allocations Since Program Inception

► **All Funding Sources & Expenditures**

- SDA Districts
- RODs Incl Vo-Tech Schools
- Total - State Share

	<u>All Sources</u> ¹	<u>Total Funding</u> ²	<u>Paid to Date</u> ³
SDA Districts	\$ 10,800,000,000	\$ 10,929,857,608	\$ 8,519,104,817
RODs Incl Vo-Tech Schools	4,025,000,000	4,078,306,412	3,417,908,293
Total - State Share	\$ 14,825,000,000	\$ 15,008,164,020	\$ 11,937,013,110

► **Percentage of Total Funding Paid to Date**

- SDA Districts 77.9%
- RODs Incl Vo-Tech Schools 83.8%
- Total - State Share 79.5%

1 Of the \$14.75 billion authorized for the school construction program (including bond funds & appropriations), \$12,197,702,648 has been received to date.

2 Includes bonding cap amounts, appropriations and other income and miscellaneous revenue earned to date (i.e., interest income on invested funds).

3 These amounts include the allocation of SDA operating expenses and capital expenditures totaling \$519,511,295.

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Budget
October 31, 2022

<u>Category</u>	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>Over/</u> <u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 10,715,227	\$ 12,942,750	\$ (2,227,523)
Employee Benefits	5,173,055	5,925,153	(752,098)
Direct Hire Temporary Employee Costs	31,381	40,370	(8,989)
Total Employee Salaries & Benefits Costs	15,919,663	18,908,273	(2,988,610)
Less: Employee Salaries & Benefits Costs			
Charged to Projects	7,860,709	10,162,933	(2,302,224)
Salaries & Benefits Charged to Operating Expense	8,058,954	8,745,340	(686,386)
Temporary Staffing Services	-	125,000	(125,000)
Travel & Expense Reimbursements	16,859	21,840	(4,981)
Training & Professional Development	19,957	82,090	(62,133)
Total Personnel Expenses	8,095,770	8,974,270	(878,500)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,730,540	2,040,490	(309,950)
Information Systems	804,628	1,090,760	(286,132)
Professional & Other Contracted Services	339,506	802,048	(462,542)
Property & Casualty Insurance	386,087	389,420	(3,333)
SDA-Owned Automobiles	104,914	130,830	(25,916)
Communications & Outreach	72	1,500	(1,428)
Reserve for Unforeseen Events & New Initiatives	-	41,670	(41,670)
Total Authority Operating Expenses	\$ 11,461,517	\$ 13,470,988	\$ (2,009,471)
 2022 Annual Operating Budget		 \$ 15,754,151	

New Jersey Schools Development Authority
Fund Reporting Operating Expenses vs Prior Year
October 31, 2022

<u>Category</u>	<u>Actual</u>	<u>2021</u>	<u>Over/</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>(Under)</u>
Personnel Expenses:			
Employee Salaries	\$ 10,715,227	\$ 12,113,474	\$ (1,398,247)
Employee Benefits	5,173,055	5,937,227	(764,172)
Direct Hire Temporary Employee Costs	31,381	-	31,381
Total Employee Salaries & Benefits Costs	15,919,663	18,050,701	(2,131,038)
<u>Less:</u> Employee Salaries & Benefits Costs			
Charged to Projects	7,860,709	9,473,663	(1,612,954)
Salaries & Benefits Charged to Operating Expense	8,058,954	8,577,038	(518,084)
Temporary Staffing Services	-	-	-
Travel & Expense Reimbursements	16,859	18,195	(1,336)
Training & Professional Development	19,957	16,542	3,415
Total Personnel Expenses	8,095,770	8,611,775	(516,005)
Non-Personnel Operating Expenses:			
Facilities & General Office Expenses	1,730,540	1,679,790	50,750
Information Systems	804,628	748,883	55,745
Professional & Other Contracted Services	339,506	323,898	15,608
Property & Casualty Insurance	386,087	336,750	49,337
SDA-Owned Automobiles	104,914	46,097	58,817
Communications & Outreach	72	2,300	(2,228)
Reserve for Unforeseen Events & New Initiatives	-	-	-
Total Authority Operating Expenses	\$ 11,461,517	\$ 11,749,493	\$ (287,976)

New Jersey Schools Development Authority

Employee Headcount

October 31, 2022

	<u>Current Month End</u>	<u>Budget</u>	<u>Over/ (Under)</u>
Office of Chief Executive Officer	2	3	(1)
Human Resources	3	4	(1)
Vacant Positions	0	14	(14)
Communications	3	3	-
Legislative Affairs	1	1	-
EEO/AA & Vendor Services	4	0	4
Office of Program Operations & Strategic Planning	1	2	(1)
Capital Planning & Program Operations	10	7	3
Design Studio	12	16	(4)
Grants Administration	7	9	(2)
Real Estate Services & Predevelopment	2	4	(2)
Office of Construction Operations	0	0	-
Project Teams	21	26	(5)
Office of Corporate Governance & Legal Affairs	4	5	(1)
Chief Counsel	7	8	(1)
Information Systems	12	13	(1)
Central Records Management	3	3	-
Safety	5	8	(3)
Internal Audit	2	3	(1)
Office of Chief Financial Officer	1	2	(1)
Financial Operations	7	7	-
Financial Accounting & Disbursements	9	10	(1)
Procurement	8	8	-
Risk Management	2	8	(6)
Property Management	0	2	(2)
Facilities	5	4	1
Total Full-Time Employees at Month End	<u>131</u>	<u>170</u>	<u>(39)</u>
Total Full-Time Employees at Year End		<u>175</u>	

New Jersey Schools Development Authority
Statement of Net Position
October 31, 2022

	<u>Current</u>		<u>2021</u>		<u>Over/</u>
	<u>Month End</u>		<u>Year End</u>		<u>(Under)</u>
ASSETS					
Cash and Cash Equivalents	\$ 451,734,134	\$	621,160,163	\$	(169,426,029)
Receivables	720		4,847		(4,127)
Prepaid Expenses	148,605		155,694		(7,089)
Capital Assets (Net of Accumulated Depr.)	1,101,626		1,556,300		(454,674)
Total Assets	<u>452,985,085</u>		<u>622,877,004</u>		<u>(169,891,919)</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Amount for Pensions & OPEB	7,890,061		10,362,143		(2,472,082)
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES					
	<u>\$ 460,875,146</u>	\$	<u>633,239,147</u>	\$	<u>(172,364,001)</u>
LIABILITIES					
Accrued Project Costs	\$ 35,760,843	\$	52,907,777	\$	(17,146,934)
Net Pension Liability	25,006,500		25,006,500		-
Accrued Other Post-Employment Benefits	29,960,353		29,188,405		771,948
Other Accrued Liabilities	1,849,973		4,690,689		(2,840,716)
Deposits	7,880,576		6,623,369		1,257,207
Total Liabilities	<u>100,458,245</u>		<u>118,416,740</u>		<u>(17,958,495)</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Amount for Pensions & OPEB	31,718,760		31,718,760		-
NET POSITION					
Invested in Capital Assets	1,101,626		1,556,300		(454,674)
Restricted for Schools Construction:					
Special Revenue Fund	327,596,515		481,547,347		(153,950,832)
Net Position	<u>328,698,141</u>		<u>483,103,647</u>		<u>(154,405,506)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION					
	<u>\$ 460,875,146</u>	\$	<u>633,239,147</u>	\$	<u>(172,364,001)</u>

New Jersey Schools Development Authority
Statement of Activities
October 31, 2022

	<u>Current Year-To Date</u>	<u>2021 Year-To Date</u>	<u>Over/ (Under)</u>
REVENUES			
Program Revenues:			
Bond and Note Proceeds (Issued by EDA)	\$ -	\$ 350,000,000	\$ (350,000,000)
Appropriation from State	75,000,000	275,000,000	(200,000,000)
Bidding Fees-Plans & Specs	-	-	-
General Revenues:			
Investment Earnings	3,776,673	185,547	3,591,126
Rental Income	11,670	10,000	1,670
Other Revenue-OPRA	10,990	4,737	6,253
Total Revenues	<u>78,799,333</u>	<u>625,200,284</u>	<u>(546,400,951)</u>
EXPENSES			
Administrative & General Expenses	12,233,465	12,392,200	(158,735)
Capital Depreciation	454,674	72,589	382,085
School Facilities Project Costs	220,516,700	204,570,625	15,946,075
Total Expenses	<u>233,204,839</u>	<u>217,035,414</u>	<u>16,169,425</u>
CHANGE IN NET POSITION	(154,405,506)	408,164,870	(562,570,376)
Beginning of Period Net Position	<u>483,103,647</u>	<u>132,495,342</u>	<u>350,608,305</u>
NET POSITION END OF PERIOD	<u>\$ 328,698,141</u>	<u>\$ 540,660,212</u>	<u>\$ (211,962,071)</u>

DESIGN CONTRACT DE-OBLIGATIONS REPORT (*no activity*)

RESOLUTION TO ADJOURN INTO EXECUTIVE SESSION

Resolution—8.

Resolution to Adjourn into Executive Session

Resolution

WHEREAS, the “Senator Byron M. Baer Open Public Meetings Act” (OPMA), N.J.S.A. 10:4-6, declares “the right of the public to be present at all meetings of public bodies” except as expressly provided in the Act; and

WHEREAS, N.J.S.A. 10:4-12 (b) provides that a public body may exclude the public from that portion of a meeting at which the public body discusses, among other things, any matter involving the lease... of real property with public funds...or any pending or anticipated litigation or contract negotiations in which the public body is or may become a party...falling within the attorney-client privilege, to the extent that confidentiality is required to preserve the attorney-client relationship; and

WHEREAS, the Members of the Authority have before them on this date two matters that, pursuant to N.J.S.A. 10:4-12, are appropriate for consideration in Executive Session consistent with the provisions of the OPMA; and

WHEREAS, the first matter to be considered by the Board in Executive Session involves a potential extension of a License Agreement between the SDA and the City of Newark regarding SDA owned property located at located at 371-395 Ferry Street, Newark NJ, Block 2487 and Lot 1.02 (6a); and

WHEREAS, the second matter to be considered by the Board involves a potential extension of a License Agreement between the SDA and City of Union City (City) regarding the Premises located at the City’s Tax Block 19, Lots 1-3, 21-22 and Tax Block 20, Lots 1-8, 10-14, 20 and 21 (6b.); and

WHEREAS, the minutes of the Board’s December 7, 2022 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, and settlements, and associated matters and/or the execution of all documentation, agreements and leases associated with the matters to be discussed therein.

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby resolve to adjourn into Executive Session to consider and deliberate with regard to the matters described herein and, thereafter, to vote on the associated Resolutions No. 6a. and 6b. upon the Board’s return to Open Session.

BE IT FURTHER RESOLVED, that the minutes of the Board’s December 7, 2022 Executive Session meeting will be available for release for public review upon the full and final conclusion of all negotiations, legal proceedings, settlements, and associated matters, and/or the execution of all documentation, agreements and leases associated with the matters to be discussed therein.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 day period, the Governor shall approve same, in which case such action shall become effective upon such approval.

Attached: Resolution to Adjourn into Executive Session, dated December 7, 2022

Dated: December 7, 2022