



STATE OF NEW JERSEY

SCHOOLS DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Gregory Voronov, Managing Director, Program Operations
Paul Hamilton, Senior Program Officer, Program Operations

DATE: January 2, 2014

SUBJECT: NJSDA Capital Plan –Portfolio Amendment
Authorization of Project Funds to Advance Planning Activities for Capital Plan Projects

INTRODUCTION

We are writing to recommend approval by the Members of an amendment to the NJSDA's Capital Plan which serves to incorporate additional projects for advancement. We are also writing to recommend approval by the Members to obligate and expend project funds such that needed planning activities may advance for the identified additional projects.

The Operating Authority adopted by the Board on December 1, 2010 as amended on March 7, 2012, requires approval by the Board of the Authority's Capital Plans. The Operating Authority also requires approval by the Board of Project Charters. Pursuant to established integrity controls, in order to expend project funds, a Project Charter or alternative approval from the Board must be in place. Discussed below are projects that have been identified for inclusion in the Authority's Capital Plan that do not have Project Charters in place and that require the expenditure of funds to advance planning activities.

BACKGROUND

The NJSDA's Capital Planning efforts recognize the ongoing inclusion of projects for the continuation of a rolling advancement of work. To facilitate these efforts, beginning in March 2013, the New Jersey Department of Education (DOE) in consultation with the NJSDA initiated an update to the DOE's 2010 Educational Facilities Needs Assessment (EFNA) in an effort to provide current data related to educational facilities needs across the 31 SDA Districts. All SDA Districts were included in the analysis with the exception of Neptune, for which all major educational facilities projects have been completed.

Continuing the approach to identify projects representing high educational need, facilities needs and efficient construction factors, while also ensuring the utilization of the most relevant and up-to-date information, the current review is based upon the application of the following criteria utilized in the DOE 2013 EFNA Update:

- Overcrowding to address district wide capacity deficiencies in a specific grade group; and
- Facilities Efficiency Standards (FES) Compliance.

AMENDMENT TO CAPITAL PLAN PORTFOLIO

Utilizing data from the EFNA Update, NJSDA has reviewed District identified needs and evaluated preliminary project scopes which would address those needs.

In an effort to further define potential projects to address the identified needs, NJSDA met with the identified Districts beginning in July 2013 to discuss, review and validate the District needs identified within the updated EFNA, detailing each District’s plan for its facilities and collaboratively formulating a preliminary high-level project scope for addressing District needs.

This approach builds on the successfully implemented practices of identifying high priority needs and working collaboratively with districts and DOE to identify and implement solutions that are most cost effective and efficient in addressing those needs.

Based upon the Planning Activities undertaken, we recommend amending the NJSDA Capital Plan Portfolio to include the following projects which are estimated to represent total project costs of approximately \$200 to \$250 million based upon high level planning estimates:

Projects Addressing Overcrowding Needs		
1	Vineland	New Middle School
Projects Addressing FES Compliance Needs		
2	East Orange	George Washington Carver Elementary School
3	Irvington	Madison Avenue Elementary School
4	Pemberton	Denbo Elementary School
5	Plainfield	Woodland and/or Cook Elementary School

PLANNING ACTIVITIES

The following defined parameters will provide control and oversight of the advancement of needed planning activities for the identified projects. These activities will support the detailing of project scope, including whether new construction, addition, or another alternative is appropriate, as well as facility size, anticipated costs and other details. The planning activities will thereby provide the foundation for development of Planning Charters for subsequent Board review and approval:

- Funding shall be limited to a not-to-exceed amount of \$100,000 per project, prior to the approval of a Project Charter.
- Expenditures within that value shall be required to be co-approved by the Vice President of Program Operations and the NJSDA Chief Executive Officer.

Members of the Authority

January 2, 2014

NJSDA Capital Plan – Project Portfolio Amendment

Authorization of Project Funds to Advance Planning Activities for Capital Plan Projects

Page 3 of 3

- Approved expenditures for the funding shall be drawn from that identified in the amended Capital Plan for the individual project or need that a given project will address.
- Notification of Management authorization of expenditures for project advancement utilizing this methodology shall be provided to the Board.

Advancement activities to support a project's defining characteristics for inclusion in a Charter may include feasibility studies, cost analyses, planning analyses, site surveys and environmental assessments. Timely advancement of necessary activities within the defined fiscal controls will support development of recommended Charters and enable fully-informed decision making by the Board.

RECOMMENDATION

The Members of the Authority are requested to approve the amendment to the NJSDA's Capital Plan to incorporate additional projects for advancement and the authorization of funding to advance planning activities for the above listed projects. Consistent with the Operating Authority adopted by the Board on December 1, 2010 as amended on March 7, 2012, management will seek the Members' approval for all Project Charters developed based upon the results of these activities.

/s/ Gregory Voronov

Gregory Voronov, Managing Director, Program Operations

/s/ Paul Hamilton

Paul Hamilton, Senior Program Officer, Program Operations