

BY - LAWS
OF THE
NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

Adopted:

August 15, 2007

SDA BY-LAWS
Adopted 8/15/07
Amended 5/07/14
Amended 9/04/19

NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

BY-LAWS

ARTICLE I **GENERAL PROVISIONS**

Section 1.1 **Scope and Provisions of By-Laws.** These by-laws are adopted pursuant to Section 4 of P.L. 2007, c. 137, approved August 6, 2007 (N.J.S.A. 52:18A-238). They are intended to govern the affairs and the conduct of the business of the Authority with respect to the performance of its functions, powers and duties under P.L. 2007, c. 137, and the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (principally codified at N.J.S.A. 18A:7G-1 et seq.) (the “EFCFA”).

Section 1.2 **Name of the Authority.** The name and title of this Authority shall be the “NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY” (hereinafter referred to as the “Authority”).

Section 1.3 **Principal Office.** The principal office of the Authority shall be One West State Street, P. O. Box 991, Trenton, New Jersey, 08625. All communications to the Authority shall be addressed to its principal office except as may otherwise be specified by resolution, regulation or rule. The Authority may also have offices at such other places as it may from time to time designate by resolution.

Section 1.4 **Public Inspection.** Authority records shall be available for public inspection at the principal office of the Authority.

Section 1.5 **Seal.** The Seal of the Authority shall be in the form of a circle enclosing the seal of the State of New Jersey, and shall bear the name of the Authority and the year of its creation (2007).

Section 1.6 **Rules and Regulations.** The rules and regulations of the Authority shall include, but not be limited to the SDA “Operating Authority”, “Policies, Programs and Benefits Manual”, “Annual Operating Budget”, “Staffing Plan”, “State Uniform Ethics Code”, “SDA Supplemental Ethics Code” and all other policies properly adopted and governing Authority operations.

Section 1.7 **Staffing Plan.** The Staffing Plan is a representation of 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.

ARTICLE II MEMBERS AND DESIGNEES

Section 2.1 Members. The Authority shall consist of fifteen members: the Commissioner of Education, the Commissioner of the Department of Community Affairs, the Executive Director of the Economic Development Authority and the State Treasurer, who shall serve as ex officio members; and eleven public members appointed by the Governor with the advice and consent of the Senate. At least one of the public members shall have knowledge or expertise in the area of law enforcement and the remaining public members shall have knowledge or expertise in real estate development, construction management, finance, architectural or building design, or any other related field. The members shall collectively function as the governing body of the Authority to the extent of the powers and authority allocated pursuant to P.L. 2007, c. 137, and the EFCFA, and shall be referred to as the Board of the Authority (or “Board”).

Section 2.2 Terms of Public Members. Each public member shall serve for a term of five years and shall hold office for the term of the member’s appointment and until the member’s successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only. In the case of the first eleven public members appointed, three shall serve for a term of two years, three shall serve for a term of three years, three shall serve for a term of four years, and two shall serve for a term of five years.

Section 2.3 Compensation of Members. The members shall serve without compensation, but the Authority may reimburse its members for actual expenses incurred in the discharge of their duties.

Section 2.4 Removals. Each member appointed by the Governor may be removed from office by the Governor, for cause, after a public hearing, and may be suspended by the Governor pending the completion of such hearing.

Section 2.5 Oath. Each member before entering upon his duties shall take and subscribe an oath to perform the duties of the office faithfully, impartially and justly to the best of his ability. A record of such oath shall be filed in the Office of the Secretary of State.

Section 2.6 Surety Bonds. Each member shall execute a bond to be conditioned upon the faithful performance of the duties of the member in such form and amount as may be prescribed by the Director of the Division of Budget and Accounting in the Department of the Treasury. Such bonds shall be filed in the Office of the Secretary of State. At all times thereafter, the members of the Authority shall maintain such bonds in full force and effect. All costs of such bonds shall be borne by the Authority.

Section 2.7 Designees. Each ex officio member of the Authority may designate an officer or employee of the member’s department or authority to represent the member at meetings of the Authority. Each such designee may lawfully vote and otherwise act on behalf of the member for whom the person constitutes the designee. Any such designation shall be in writing delivered to the Secretary

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of the Authority and shall continue in effect until revoked or amended by writing delivered to the Secretary of the Authority.

ARTICLE III MEETINGS

Section 3.1 Place of Meetings. All meetings of the Authority shall be held at a location to be determined by the Chairperson of the Authority, provided that any and all members may participate in a meeting of the Authority by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting, including the public when required, to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 3.2 Annual Organizational Meeting. The Annual Meeting of the Authority shall be held at the principal office of the Authority on the last Wednesday of January of each year at 10:00 a.m., or such earlier or later date in January of each calendar year as the Chairperson may designate in accordance with the notice provisions hereinafter provided, for the purpose of electing the officers of the Authority and for the transaction of such other business as may properly come before the meeting. The Authority shall, at its Annual Meeting, establish a schedule of regular meetings for the following 12-month period, and no further notice of such regularly scheduled meetings need be given to any member of the Authority.

Section 3.3 Regular Meetings. Regular meetings of the Authority shall be held at such times and places as may be determined by resolution of the Authority in accordance with the provisions of the Open Public Meetings Act, P.L. 1975, c. 231, as amended, N.J.S.A. 10:4-1 et seq., or any successor statute (hereinafter referred to as the “Open Public Meetings Act”).

Section 3.4 Special Meetings. Special meetings of the Authority may be called by the Chairperson or, in his absence, the Vice Chairperson, and shall be called at the written request of three or more members. Such meetings shall be held in conformity with the provisions of the Open Public Meetings Act. Written notice of each such special meeting shall be given at least 48 hours prior to the time named for the meeting to each member who does not waive such notice in writing, and shall specify the time, place and purpose(s) of the meeting. At such meetings, any and all matters may be considered and acted upon by members of the Authority.

Section 3.5 Public Notice of Meetings of the Authority. Except as provided by Section 3.6 hereof, all meetings of the Authority shall be open to the public, and at the commencement of every meeting the Chairperson, or such other person as shall be presiding, shall announce in public, and shall cause to be entered in the minutes of the meeting, an accurate statement of the matters required by Section 5 of the Open Public Meetings Act. The Secretary or Assistant Secretary of the Authority shall give public notice of meetings of the Authority pursuant to the requirements of the Open Public Meetings Act.

Section 3.6 Executive Sessions. At any regular or special meeting of the Authority, the members may, by resolution, close the session to the public to meet in Executive Session as authorized by the Open Public Meetings Act. Any resolution to meet in Executive Session shall state the general matters or subjects to be discussed in Executive Session and state as precisely as possible the time or circumstances under which the discussions conducted in Executive Session can be disclosed to the public. Minutes of Executive Sessions shall be taken and shall be disclosed to the public when deemed appropriate by the members of the Authority.

Section 3.7 Minutes. Minutes of all meetings, including Executive Sessions as provided in Section 3.6 hereof, shall be kept showing the time and place, the members present, the subjects considered, the actions taken, the vote of each member, and any other information required to be shown in the minutes by law, and shall be promptly made available to the public, to the extent that making such matters public shall not be inconsistent with Section 3.6 hereof in the case of Executive Sessions.

Section 3.8 Quorum. Eight members shall constitute a quorum for the transaction of business. No vacancy in the membership of the Authority shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the Authority.

Section 3.9 Voting. At every meeting of the Authority, each member shall be entitled to one vote. All elections shall be had, action may be taken and motions and resolutions adopted by the affirmative vote of at least eight members of the Authority. Except when the vote is unanimous, the voting on all questions, resolutions and motions shall be by roll call and the yeas and nays shall be entered into the minutes.

Section 3.10 Submission of the Minutes to the Governor. A true copy of the minutes of every meeting of the Authority shall be delivered by and under the certification of the Secretary thereof to the Governor. No action taken at any meeting of the Authority shall have force or effect until ten days, Saturdays, Sundays, and public holidays excepted, after the copy of the minutes shall have been so delivered, unless during such ten-day period the Governor shall approve the same in which case the action shall become effective upon such approval. If, in that ten-day period, the Governor returns a copy of the minutes with veto of any action taken by the Authority or any member thereof at the meeting, such action shall be null and of no effect. If the Governor shall not return the minutes within said ten-day period, any action therein recited shall have force and effect according to the wording thereof.

Section 3.11. Certification of Resolutions. Each member is authorized to certify, when required, the records, proceedings, documents, or resolutions of the Authority, and to affix the seal of the Authority to all contracts, documents and instruments to be executed by the Authority.

ARTICLE IV OFFICERS

Section 4.1 Officers of the Authority. The officers of the Authority shall be the Chairperson, Vice-Chairperson, Secretary, Treasurer and Chief Executive Officer. The Authority may, by resolution, appoint other officers at its discretion as is necessary to address the affairs of the Authority.

Section 4.2 Officer Selection and Terms of Office. The Chairperson shall be appointed by the Governor from the public members. Any such appointment shall be in writing and shall be delivered to the Authority and shall continue in effect until revoked or amended in writing by the Governor to the Authority. At each Annual Meeting of the Authority, the members shall elect from their remaining number a Vice-Chairperson, a Secretary and a Treasurer thereof. The Vice-Chairperson, Secretary and Treasurer shall be elected for a term of one year, and shall serve for said term until their successors shall have been duly elected, except as provided otherwise in Section 4.3 concerning filling vacancies. The Authority shall appoint and employ an executive director who shall be its Chief Executive Officer.

Section 4.3 Vacancies. In the event any office of the Authority established under Section 4.1, except if such office is held by an ex officio member, becomes vacant by death, resignation, removal or any other cause, or in the event additional offices are created by the Authority, the members may at any meeting elect an officer to fill such vacancy or additional office, and the officer so elected shall serve until the next Annual Meeting of the Authority and until the election of the officer's successor.

Section 4.4 Chairperson. The Chairperson shall preside at all meetings of the Authority and rule on all questions of order, subject to appeal by the members. The Chairperson shall submit such recommendations considered proper concerning the business, duties and affairs of the Authority and shall have such other powers and shall perform such other duties as the Authority may from time to time prescribe by resolution.

Section 4.5 Vice-Chairperson. The Vice-Chairperson shall preside over all meetings in the absence or disability of the Chairperson and shall perform the duties of the Chairperson in the event the office of the Chairperson is vacant or the Chairperson is unable to perform such duties by reason of illness, disability or absence. The Vice-Chairperson shall have such other powers and perform such other duties as the Authority may from time to time prescribe by resolution.

Section 4.6 Secretary. The Secretary shall act as clerk of all meetings of the Authority, record or cause to be recorded all the proceedings of the meetings of the Authority, and cause such records to be kept in such a manner as to ensure their permanence. The Secretary shall give proper notice of all meetings as described herein and shall have custody of all the books and records of the Authority, except those kept by the Treasurer. The Secretary shall keep in safe custody the seal of the Authority and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the Authority. The Secretary shall in general perform all the duties incident to the office of Secretary, subject to the control of the Authority, and shall have such other powers to do and perform such other duties as the Authority may prescribe from time to time by resolution. The Secretary shall deliver and

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certify forthwith a true copy of the minutes of every meeting of the Authority to the Governor. The Secretary shall also keep a record, containing the names of all persons who are members of the Authority or duly appointed designees of the members, showing their places of business and dates of membership or dates of designation.

Section 4.7 Assistant Secretary. The Authority may, by resolution, appoint an Assistant Secretary, who need not be a member of the Authority, and delegate any and all of the duties and confer any and all of the powers of the Secretary to the Assistant Secretary. The Authority may, by resolution, assign responsibility for the corporate governance and compliance responsibilities of the Authority to an Assistant Secretary. If the Authority confers such responsibility to an Assistant Secretary, the Assistant Secretary shall report to both the Chief Executive Officer and the Audit Committee. In the event that the Authority does not confer such responsibility upon an Assistant Secretary, or such Assistant Secretary is unable to fulfill such responsibility, the corporate governance and compliance responsibilities shall be vested in the Chief Executive Officer. The Authority may, by resolution, appoint additional Assistant Secretaries to serve in the event of the Assistant Secretary's absence or disability.

Section 4.8 Treasurer. The Treasurer shall have such powers and perform such duties as the Authority may prescribe from time to time.

Section 4.9 Assistant Treasurer. The Authority may, by resolution, appoint the Chief Financial Officer of the Authority to act as Assistant Treasurer, and may delegate any and all of the duties and confer any and all of the powers of the Treasurer to the Assistant Treasurer.

Section 4.10 Removal of Officers. Any officer of the Authority, other than the Chairperson, may be removed by the Authority whenever in its judgment the best interest of the Authority will be served thereby. The removal of a member of the Authority from an office thereof shall in no way constitute such member's removal as a member of the Authority.

ARTICLE V STAFF

Section 5.1 Chief Executive Officer. The Authority shall employ a Chief Executive Officer qualified by training and experience for the duties of the office, who shall report to the members of the Authority. Unless otherwise directed by the members of the Authority, subject to the limitations, if any, of the budget adopted by the Authority and subject to the rules and regulations of the Authority, the Chief Executive Officer shall have general supervisory and management responsibility over all activities of the Authority. The Chief Executive Officer shall have the following powers and duties in addition to any other powers conferred upon him/her or duties assigned to him/her by any other provisions of these By-Laws or by resolution of the Authority:

- A. Personnel. The Chief Executive Officer shall:
- (1) Establish an annual staffing plan;
 - (2) supervise and direct the internal organization;
 - (3) when deemed necessary, establish a reorganization plan for presentation to the appropriate committee of the Board of Directors;
 - (4) employ such additional personnel as may be deemed necessary to exercise the powers, duties and functions of the Authority consistent with the Board approved staffing plan;
 - (5) create, determine and prescribe the duties and qualifications of new and existing positions;
 - (6) assign functions and duties to any employee of the Authority and modify such assignments as needed;
 - (7) appoint, assign, promote, remove, suspend, discipline and supervise employees of the Authority consistent with the rules and regulations of the Authority;
 - (8) at least once per quarter, provide the Audit Committee with an update on matters related to personnel and employee compensation; and
 - (9) administer a compensation plan, including salary range adjustments and merit increases, through consultation with the members of the Authority and/or consistent with the budget adopted by the members of the Authority.
- B. Annual Budget. The 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.
- C. Staffing Plan. The Chief Executive Officer shall prepare and submit a proposed annual staffing plan for the Authority for each ensuing year for adoption by the members of the Authority.
- D. Procurement. The Chief Executive Officer shall supervise the procedures for the procurement of all supplies, material, equipment and services needed for the efficient and effective operation of the Authority.
- E. Contracts. The Chief Executive Officer may execute contracts for good and services required for the efficient and effective operation of the Authority as set forth in resolutions adopted by the Authority.
- F. Hearings. The Chief Executive Officer or his designee may authorize and hold hearings which may be required under P.L. 2007, c. 137, and the EFCFA, or which he may otherwise deem appropriate.
- G. Delegation. The Chief Executive Officer may provide appropriate staff members with grants of operating authority in accordance with resolutions adopted by the Authority. In the event of the absence or disability of the Chief Executive Officer, the Chief Executive Officer may

delegate one of the Authority's Vice Presidents to exercise the functions and undertake the responsibilities of the office of Chief Executive Officer.

- H. Scope of Administrative Powers. The powers vested herein in the Chief Executive Officer shall not be construed or deemed to affect the power of the members of the Authority to act in any case, but where the members of the Authority exercise a power in any such case, such action shall not be construed or deemed to affect the power of the Chief Executive Officer to act in similar cases in the future.

Section 5.2 Chief Financial Officer. The Authority shall employ a Chief Financial Officer who shall be responsible for implementing adequate internal financial controls and shall provide for the custody of the funds and other property of the Authority. The Chief Financial Officer shall report to the Chief Executive Officer.

Section 5.3 Signing Authority. The members of the Authority shall designate by resolution those individual members, officers, employees (or any combination thereof) who shall be authorized (either generally or in specific transactions) to approve contracts and to execute documents legally binding on the Authority, or to sign checks and disbursements on behalf of the Authority. The authority of any such person so designated shall terminate immediately upon resignation, death, removal from office or termination of employment with the Authority, or upon the completion of the specific transaction as set forth in the authorizing resolution.

ARTICLE VI **WAIVER OF NOTICE**

Section 6.1 Waiver of Notice. Whenever the Authority or any officer thereof is authorized to take any action or to hold any meeting or proceeding after notice or after the lapse of a prescribed period of time, such actions may be taken, or such meeting or proceeding held, without notice and without the lapse of any period of time, if at any time before or after the action to be completed or the meeting or proceeding to be held, the notice or lapse of time requirements be waived in writing by the member, person or body entitled to said notice or entitled to the benefit of the lapse of time.

ARTICLE VII **FISCAL YEAR**

Section 7.1 Fiscal Year. 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.

ARTICLE VIII **REPORTS**

Section 8.1 **Biannual Report.** The Authority shall submit to the Governor, the Joint Budget Oversight Committee, the President of the Senate and the Speaker of the General Assembly a biannual report pursuant to the provisions of section 24 of P.L.2000, c.72 (C.18A:7G-24).

Section 8.2 **Annual Audit.** The Authority shall provide for an annual audit of the financial statements of the Authority by a certified public accountant, and cause a copy thereof to be filed with the Secretary of State, the Director of the Division of Budget and Accounting in the Department of Treasury, and the State Auditor.

Section 8.3 **Comprehensive Annual Report.** Annually, the Authority shall prepare a comprehensive report regarding the Authority's operations in accordance with Executive Order No. 37 (Corzine). Following approval of the report by the members of the Authority, the report shall be submitted to the Governor's Authorities Unit and posted on the Authority's web site.

ARTICLE IX **AUDIT COMMITTEE**

Section 9.1 **Establishment of the Audit Committee.** There is hereby established a standing committee of the Authority, which shall be called the Audit Committee.

Section 9.2 **Members.** The Audit Committee shall consist of no less than three and no more than seven members, including the Chairperson of the Authority, the State Treasurer and up to five additional members of the Authority appointed by the Chairperson. The Chairperson shall select one of the members of the Audit Committee to chair the Committee. At no time shall a member of the Authority's staff be a member of the Audit Committee. Each Audit Committee member shall be independent of the Authority as required by Executive Order No. 122 (McGreevey) ("EO 122"). At least one Audit Committee member shall have accounting or related financial expertise, and all members shall have knowledge of the Authority's governmental functions and sufficient time to accomplish the responsibilities of the Audit Committee.

Section 9.3 **Meetings.** The times, places and agenda for the Audit Committee shall be set forth by the Chairperson of the Committee, and shall be in accordance with EO 122.

Section 9.4 **Independent Auditor.** The Authority shall provide for an annual audit of the financial statements of the Authority as specified by Section 7.2 hereof. The Audit Committee shall assist the Authority in retaining an independent auditor to conduct such an audit by engaging in the auditor selection process prescribed by EO 122 and making a recommendation to the members of the Authority.

Section 9.5 General Duties. The Audit Committee shall proactively assist and advise the members of the Authority in overseeing: (i) the integrity and quality of the Authority's financial statements; (ii) the independent auditor's performance and ability to perform; (iii) the performance of the Authority's internal audit and internal control functions; (iv) the Authority's compliance with legal, regulatory, and ethical requirements; and (v) personnel and compensation policies. The specific duties of the Committee shall be defined by the Audit Committee's Charter, which shall include those duties established by EO 122 and such other duties as may be prescribed from time to time by resolution, provided that the actions of the Audit Committee shall be advisory in nature and shall not bind the members of the Authority or other parties.

Section 9.6 Voting. At every meeting of the Audit Committee at which action may be taken, a majority of the sitting members shall constitute a quorum. All action may be taken and motions and resolutions adopted by the affirmative vote of a majority of the members present.

ARTICLE X **SCHOOL REVIEW COMMITTEE**

Section 10.1 Establishment of the School Review Committee. There is hereby established a standing committee of the Authority, which shall be called the School Review Committee.

Section 10.2 Members. The School Review Committee shall consist of no less than three and no more than seven members of the Authority, who shall be appointed by the Chairperson. The Chairperson shall select one of the members of the School Review Committee to chair the Committee.

Section 10.3 Meetings. The times, places and agenda for the School Review Committee shall be set forth by the Chief Executive Officer in conjunction with the Chairperson of the Committee.

Section 10.4 General Duties. The School Review Committee shall proactively assist and advise the members of the Authority regarding matters related to the planning, design and construction of school facilities projects including, but not limited to, project management issues and related expenditures in accordance with the Operating Authority adopted by the Authority. The Committee shall perform such other duties as may be prescribed from time to time by resolution, provided that the actions of the School Review Committee shall be advisory in nature and shall not bind the members of the Authority or other parties.

Section 10.5 Voting. At every meeting of the School Review Committee at which action may be taken, a majority of the sitting members shall constitute a quorum. All action may be taken and motions and resolutions adopted by the affirmative vote of a majority of the members present.

ARTICLE XI
REAL ESTATE COMMITTEE

Section 11.1 Establishment of the Real Estate Committee. There is hereby established a standing committee of the Authority, which shall be called the Real Estate Committee.

Section 11.2 Members. The Real Estate Committee shall consist of no less than three and no more than seven members of the Authority, who shall be appointed by the Chairperson. The Chairperson shall select one of the members of the Real Estate Committee to chair the Committee.

Section 11.3 Meetings. The times, places and agenda for the Real Estate Committee shall be set forth by the Chief Executive Officer of the Authority in conjunction with the Chairperson of the Committee.

Section 11.4 General Duties. The Real Estate Committee shall proactively assist and advise the members of the Authority regarding real estate matters related to the school construction program. The Committee shall perform such other duties as may be prescribed from time to time by resolution, provided that the actions of the Real Estate Committee shall be advisory in nature and shall not bind the members of the Authority or other parties.

Section 11.5 Voting. At every meeting of the Real Estate Committee at which action may be taken, a majority of the sitting members shall constitute a quorum. All action may be taken and motions and resolutions adopted by the affirmative vote of a majority of the members present.

ARTICLE XII
COMMITTEES

Section 12.1 Establishment of Committees. The Chairperson may, at his discretion, appoint and abolish committees, other than those provided herein, as is necessary to address the affairs of the Authority. The Chairperson of the Authority shall appoint the chairs of these committees.

ARTICLE XIII
AMENDMENT OR SUSPENSION OF BY-LAWS

Section 13.1 Amendments to By-Laws. These By-Laws may be altered, amended or repealed at any meeting of the Authority by the affirmative vote of at least eight members, after written notice of such an intention is provided by the Secretary to each member.

Section 13.2 Suspension of By-Laws. Any and all provisions of these By-Laws may be suspended by unanimous consent of the members present at any duly constituted meeting of the Authority.

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