



CONTACT: Larry Hanover 609-292-5502

Faced with Shortfall, SCC Board Defers Construction For 27 Capital Plan Projects

Affected projects will be funded through design, be ready to proceed upon legislative authorization of funds

(TRENTON, April 25, 2007) – The New Jersey Schools Construction Corporation’s Board of Directors today approved a plan to defer construction of 27 projects included in the Capital Plan that was adopted in July 2005.

The deferral of construction for projects in the Capital Plan, known as the “List of 59,” is necessary due to an estimated \$600 million shortfall to fund the plan in its entirety. The shortfall primarily stems from the lack of accurate cost projections at the time the plan was adopted and inflation.

“We are committed to total transparency and accountability, and we are committed to dealing in real numbers,” said Barry Zubrow, Chairman of the SCC Board of Directors. “None of us are happy to have to address this issue. But this plan allows us to deal with educational needs and provide the facilities that we can in a responsible manner.”

“The unfortunate reality is that the Capital Plan had a shortfall of over \$400 million the day it was adopted,” said Scott Weiner, the corporation’s Chief Executive Officer. “This occurred due to a lack of complete project budgets and accurate cost projections.

“The unfortunate fact remains that we simply don’t have the money to complete all of the schools that were selected in 2005 for funding by prior management. It’s a terrible situation that even more students will have to wait for desperately needed schools. This is in addition to the hundreds of school projects that were abandoned in 2005.”

The SCC set a goal to fund as many projects as possible through completion while providing enough money for work to continue on the remaining projects through the design phase, up to the point of bid documentation.

The plan will allow 32 projects to be funded through completion. The total includes 23 projects that are either complete, under construction or where construction contracts are already awarded.



Construction funding will be deferred for 27 other projects. That includes 11 that had been slated to proceed to construction by the end of 2007. The remaining deferred projects would be impacted only if funding is not authorized by year's end.

For deferred projects, funds will permit the completion of land acquisition, demolition of structures on acquired properties, relocation of property owners and tenants, environmental remediation and design. Projects will be ready for construction bid upon legislative authorization of new funds.

The list of affected projects (attached) is the result of work by the Division of Program Management, in cooperation with the Department of Education, using the new prioritization methodology. Educational needs, such as health and safety projects, early childhood centers and the addressing of overcrowding, are top priorities.

Secondary priorities include logistical considerations, such as the status of land, design and the bidding schedule, as well as whether the project is a linchpin in a district's Long Range Facilities Plan.

The SCC allowed for intra-district substitutions in cases where the replacement project was a higher educational priority, less expensive and was agreed upon by the district.

In Passaic, funds will be provided to acquire and demolish an adult theater and adjacent hotel to clear the way for construction of an elementary school at Henry and Howe streets. The projects newly designated for the site of the theater and hotel, an early childhood center on Dayton Avenue and an early childhood center/board office on Henry Street, will be deferred.

In Newark, Elliott Street Elementary School is replacing West Side High School.

The New Brunswick High School demonstration project, which received a grant commitment in 2003, will proceed. Deferring the project would have meant further increases in the \$185 million project's cost due to inflation. The high school is the linchpin of district facilities plans.

The SCC has \$515 million in funds to commit to the revised Capital Plan, with a goal of \$150 million of the pool available in reserve.

The SCC has completed 30 new schools and 26 major renovations and additions. Including health and safety work, the SCC has completed 438 projects since its inception in 2002. The SCC has 34 projects currently under way.

Today's presentation on the Deferral Plan is available on the web at <http://www.njscc.com/Capital Plan/CapitalDeferralPlan.htm>.

Capital Plan by Educational Priority With Cost Detail

Definitions:

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

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

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

	District	Project	DOE Rank	NTP Date	Total Funds Obligated 3.31.07	Pre-Construction Phase as of April-07	Construction Phase as of April-07	Post-Construction Phase as of April-07	Estimated Costs to Complete as of April-07	Funding From Current Capital Plan	Completion Funding Required	Total Estimated Project Cost
1	Long Branch	Gregory E.S.	0	6/9/05	\$ 27,418,502	\$ 73,797	\$ 895,333	\$ 1,285,733	\$ 2,254,863	\$ 2,254,863	\$ -	\$ 29,673,364
2	Irvington	Augusta E.S.	0	9/23/05	\$ 16,822,909	\$ 700,000	\$ 1,212,847	\$ 1,047,759	\$ 2,960,606	\$ 2,960,606	\$ -	\$ 19,783,515
3	Union City	Jose Marti M.S. - Athletic Field	0	9/27/05	\$ 2,284,201	\$ -	\$ 275,000	\$ 36,960	\$ 311,960	\$ 311,960	\$ -	\$ 2,596,161
4	Newark	New First Avenue	0	10/7/05	\$ 50,152,517	\$ 261,225	\$ 2,078,895	\$ 3,461,356	\$ 5,801,476	\$ 5,801,476	\$ -	\$ 55,953,993
5	Perth Amboy	Perth Amboy H.S.	0	10/14/05	\$ 1,070,730	\$ -	\$ -	\$ 16,760	\$ 16,760	\$ 16,760	\$ -	\$ 1,087,490
6	Harrison	Harrison HS (Synthetic Turf)	0	10/14/05	\$ 1,303,431	\$ -	\$ 10,000	\$ 23,240	\$ 33,240	\$ 33,240	\$ -	\$ 1,336,671
7	New Brunswick	K Center 3	0	4/13/06	\$ 9,890,310	\$ 178,000	\$ 1,019,000	\$ 801,999	\$ 1,998,999	\$ 1,998,999	\$ -	\$ 11,889,309
8	Elizabeth	New pre K-8 #28	0	4/24/06	\$ 53,520,984	\$ 185,784	\$ (2,412,293)	\$ 2,360,968	\$ 134,459	\$ 134,459	\$ -	\$ 53,655,443
9	Paterson	Number 24 E.S.	0	5/3/06	\$ 21,124,057	\$ 462,144	\$ 2,872,605	\$ 1,943,279	\$ 5,278,028	\$ 5,278,028	\$ -	\$ 26,402,085
10	Plainfield	Emerson E.S.	0	5/10/06	\$ 32,019,504	\$ 1,175,994	\$ 2,040,695	\$ 1,569,168	\$ 4,785,857	\$ 4,785,857	\$ -	\$ 36,805,361
11	Paterson	International High School Academy	0	6/20/06	\$ 44,285,124	\$ 454,367	\$ 4,395,403	\$ 3,688,520	\$ 8,538,290	\$ 8,538,290	\$ -	\$ 52,823,414
12	East Orange	Mildred B. Garvin MicroSociety Sch	0	7/10/06	\$ 18,394,126	\$ 1,126,599	\$ 2,555,600	\$ 1,718,450	\$ 5,400,649	\$ 5,400,649	\$ -	\$ 23,794,775
13	Hoboken	Salvatore R. Calabro, No. 4 E.S.	0	7/12/06	\$ 9,290,885	\$ 664,737	\$ 1,306,874	\$ 1,141,600	\$ 3,113,211	\$ 3,113,211	\$ -	\$ 12,404,096
14	Passaic City	New ES at Main Ave Site	0	8/29/06	\$ 46,792,372	\$ 324,390	\$ 2,048,350	\$ 2,907,653	\$ 5,280,393	\$ 5,280,393	\$ -	\$ 52,072,766
15	Elizabeth	New pre K-8 #27	0	9/25/06	\$ 42,204,891	\$ 1,059,000	\$ 1,825,740	\$ 2,684,845	\$ 5,569,585	\$ 5,569,585	\$ -	\$ 47,774,477
16	Jersey City	Number 34 E.S.	0	10/1/06	\$ 8,341,050	\$ 24,000	\$ 746,742	\$ 149,780	\$ 920,522	\$ 920,522	\$ -	\$ 9,261,572
17	Elizabeth	Number 21, Victor Mravlag E.S.	0	11/16/06	\$ 23,336,529	\$ 1,265,400	\$ 1,162,867	\$ 2,294,914	\$ 4,723,181	\$ 4,723,181	\$ -	\$ 28,059,710
18	Newark	Various Emergent H&S Projects	0	12/22/06	\$ 15,481,335	\$ 719,704	\$ 11,377,642	\$ 296,318	\$ 12,393,664	\$ 12,393,664	\$ -	\$ 27,875,000
19	East Orange	New ES #5	0	1/22/07	\$ 36,257,243	\$ 1,644,176	\$ 552,965	\$ 1,997,335	\$ 4,194,476	\$ 4,194,476	\$ -	\$ 40,451,720
20	West New York	Number 3 E.S.	0	3/2/07	\$ 52,486,142	\$ 448,066	\$ 3,071,957	\$ 2,637,037	\$ 6,157,059	\$ 6,157,059	\$ -	\$ 58,643,201

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

- All data based on Apr. 2007 Project Forecasting Meetings

Capital Plan by Educational Priority With Cost Detail

District	Project	DOE Rank	NTP Date	Total Funds Obligated 3.31.07	Pre-Construction Phase as of April-07	Construction Phase as of April-07	Post-Construction Phase as of April-07	Estimated Costs to Complete as of April-07	Funding From Current Capital Plan	Completion Funding Required	Total Estimated Project Cost	
21	Perth Amboy	Early Childhood Center II	B-A	7/07	\$ 11,587,237	\$ 341,750	\$ 14,462,000	\$ 931,572	\$ 15,735,322	\$ 15,735,322	\$ -	\$ 27,322,559
22	Camden	H. B. Wilson E.S.	B-A	7/07	\$ 4,432,924	\$ 312,898	\$ 24,080,572	\$ 2,150,605	\$ 26,544,075	\$ 26,544,075	\$ -	\$ 30,976,999
23	Orange	Park Avenue E.S.	B-A	7/07	\$ 5,501,879	\$ 1,149,200	\$ 25,159,410	\$ 2,446,728	\$ 28,755,338	\$ 28,755,338	\$ -	\$ 34,257,217
24	Newark	Elliott Street Replacement	1	12/07	\$ 545,813	\$ 9,990,000	\$ 30,310,000	\$ 3,400,000	\$ 43,700,000	\$ 43,700,000	\$ -	\$ 44,245,813
25	Camden	Morgan Village M.S.	1	1/08	\$ 5,341,251	\$ 417,605	\$ 27,631,779	\$ 3,065,040	\$ 31,114,424	\$ 31,114,424	\$ -	\$ 36,455,675
26	Newark	Speedway Ave	3	8/07	\$ 6,223,748	\$ 297,000	\$ 39,427,828	\$ 2,392,800	\$ 42,117,628	\$ 42,117,628	\$ -	\$ 48,341,376
27	West New York	Number 2 E.S.	3	8/07	\$ 1,610,398	\$ 730,000	\$ 26,697,712	\$ 2,487,700	\$ 29,915,412	\$ 29,915,412	\$ -	\$ 31,525,810
28	Passaic City	New ES at Henry St.	3	8/07	\$ 9,939,924	\$ 16,374,687	\$ 37,886,030	\$ 2,797,820	\$ 57,058,537	\$ 57,058,537	\$ -	\$ 66,998,461
29	Newark	Park School	3	9/07	\$ 8,117,345	\$ 3,458,155	\$ 37,208,449	\$ 2,447,250	\$ 43,113,854	\$ 43,113,854	\$ -	\$ 51,231,199
30	Camden	Dudley E.S.	3	10/07	\$ 11,892,140	\$ 2,908,859	\$ 30,279,768	\$ 3,141,378	\$ 36,330,005	\$ 36,330,005	\$ -	\$ 48,222,145
31	Paterson	Roberto Clemente ES /K-1 Center	3	10/07	\$ 866,565	\$ 225,600	\$ 1,713,500	\$ 192,000	\$ 2,131,100	\$ 2,131,100	\$ -	\$ 2,997,665
32	Orange	Lincoln Avenue E.S.	4	10/07	\$ 8,297,736	\$ 1,486,684	\$ 35,970,821	\$ 2,715,760	\$ 40,173,265	\$ 40,173,265	\$ -	\$ 48,471,000
33	Jersey City	ECC 03	2	1/08	\$ 7,957,573	\$ 2,918,369	\$ 15,033,399	\$ 1,027,700	\$ 18,979,468	\$ 2,918,369	\$ 16,567,078	\$ 26,937,041
34	Pemberton Township	New Early Childhood Center	2	4/08	\$ 2,887,770	\$ 400,217	\$ 22,392,900	\$ 1,822,500	\$ 24,615,617	\$ 400,217	\$ 25,186,158	\$ 27,503,387
35	Trenton	New Early Childhood Center	2	7/08	\$ 2,463,680	\$ 251,150	\$ 13,290,193	\$ 1,207,538	\$ 14,748,881	\$ 251,150	\$ 15,294,469	\$ 17,212,560
36	Jersey City	ECC 14	2	9/08	\$ 363,516	\$ 1,900,000	\$ 15,442,000	\$ 1,062,600	\$ 18,404,600	\$ 1,900,000	\$ 16,874,525	\$ 18,768,116
37	Jersey City	ECC 13	2	9/08	\$ 2,349,042	\$ 3,430,241	\$ 15,367,000	\$ 1,061,200	\$ 19,858,441	\$ 3,430,241	\$ 16,936,847	\$ 22,207,483
38	Passaic City	New ECC @ Dayton Avenue Site	2	7/09	\$ -	\$ 1,197,000	\$ 17,361,750	\$ 1,282,500	\$ 19,841,250	\$ 1,197,000	\$ 19,000,500	\$ 19,841,250
39	Passaic City	New ECC & Board Offices @ Henry Street Site	2	1/10	\$ -	\$ 1,543,500	\$ 19,679,625	\$ 1,653,750	\$ 22,876,875	\$ 1,543,500	\$ 21,792,750	\$ 22,876,875
40	West New York	Harry L. Bain E.S.	3	3/08	\$ 9,975,144	\$ 5,313,868	\$ 43,173,025	\$ 3,440,394	\$ 51,927,288	\$ 5,313,868	\$ 48,395,595	\$ 61,902,432
41	Trenton	Roebing School	3	12/08	\$ 19,198,161	\$ 7,507,243	\$ 92,651,400	\$ 8,160,000	\$ 108,318,643	\$ 7,507,243	\$ 104,430,851	\$ 127,516,804
42	Paterson	New Elementary School at Marshall & Hazel	4	8/07	\$ 9,672,654	\$ 516,597	\$ 34,005,027	\$ 2,093,450	\$ 36,615,074	\$ 516,597	\$ 37,498,343	\$ 46,287,728
43	Paterson	Marshall Street Bridge	4	1/08	\$ -	\$ 212,961	\$ 2,365,000	\$ 39,166	\$ 2,617,127	\$ 212,961	\$ 2,455,030	\$ 2,617,127
44	New Brunswick	Paul Robeson Community E.S.	4	8/07	\$ 1,795,000	\$ 72,000	\$ 20,999,038	\$ 2,291,241	\$ 23,362,279	\$ 72,000	\$ 24,203,248	\$ 25,157,279
45	Union City	New ES - Columbus Replacement	4	8/07	\$ 8,776,011	\$ 2,130,000	\$ 39,500,000	\$ 2,671,398	\$ 44,301,398	\$ 2,130,000	\$ 43,719,663	\$ 53,077,409

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

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

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

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

Educational Policy Criteria

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

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