

Discussion Points

1. Prior to FY 2022, operating costs for the Schools Development Authority had generally been funded through the proceeds of bonds. The “Educational Facilities Construction and Financing Act” provided an aggregate \$12.5 billion principal amount of bond proceeds, to be issued by the New Jersey Economic Development Authority, and transferred to the Schools Development Authority. According to a response by the Schools Development Authority to an FY 2023 OLS Discussion Point, the authority had \$650.0 million in unissued authorized bonding remaining.

Starting in FY 2022, the authority has received funding from other sources to defer the exhaustion of its bond cap and fund school facilities projects and authority operations without having to issue additional bonds. The FY 2022 Appropriations Act included a \$200.0 million appropriation out of the General Fund for the direct funding of Schools Development Authority school facilities projects. For FY 2023 and subsequent fiscal years, P.L.2022, c.18 provided \$1.9 billion out of the off-budget New Jersey Debt Defeasance and Prevention Fund to the authority for school facilities projects. For FY 2024, the Governor proposes using \$250.0 million out of the New Jersey Debt Defeasance and Prevention Fund appropriation under P.L.2022, c.18 to fund authority projects and operations. Similar to the intent of the FY 2022 and FY 2023 appropriations, FY 2024 funding would support current projects only.

- Questions:** Please indicate the timeline for the use of the \$1.9 billion that P.L.2022, c.18 provided to the School Development Authority for school facilities projects. When does the authority project would it run out of project funding if no new resources were to be provided? Does the State intend to issue any amount of bonds for school facilities projects in FY 2023 or FY 2024? Is the current bonding authority available to support facilities projects still \$650 million?

The Authority and Treasury have entered in a grant agreement that details the planned disbursement to the Authority over the next several years. The disbursement schedule is as follows:

<i>YEAR</i>	<i>GRANT PAYMENT TO GRANTEE</i>
<i>NJ State Fiscal Year 2024</i>	<i>\$250,000,000.00(A)</i>
<i>NJ State Fiscal Year 2025</i>	<i>\$350,000,000.00</i>
<i>NJ State Fiscal Year 2026</i>	<i>\$350,000,000.00</i>
<i>NJ State Fiscal Year 2027</i>	<i>\$350,000,000.00</i>
<i>NJ State Fiscal Year 2028</i>	<i>\$350,000,000.00</i>
<i>NJ State Fiscal Year 2029</i>	<i>\$250,000,000.00</i>
<i>Total Grant Payments</i>	<i>\$1,900,000,000.00</i>

(A) – This allocation from the New Jersey Debt Defeasance and Prevention Fund is expected to support Grantee Capital Project expenditures valued at \$350 million in NJ State Fiscal Year 2024. Available NJSDA cash on hand will supplement these funds to support the projected project expenditures.

There is no plan for any bond issuances until after the \$1.9 billion made available to the Authority is nearly depleted. There still remains approximately \$650 million in bonding authority available to the Authority. While the bonds have not been issued to date, these funds are already committed to fund projects in our current capital program. With that bonding authority and the \$1.9 billion the Authority expects it will run out of funding sometime in FY 2032 or FY2033.

Discussion Points (Cont'd)

- Please elaborate on the intended uses of the \$250 million proposed FY 2024 appropriation for School Development Authority facilities projects. Does the Administration intend advancing projects that have been identified in the most recent Statewide Strategic Plan? For what specific projects is this funding intended to be used and how much of the proposed appropriation would be dedicated to each project? For each project, please provide the school district, the grades served, the project type, and estimates concerning each project's completion date, the number of new seats, and new capacity.

The \$250 million proposed FY 2024 will be used to support the on-going operations of the Authority and all projects that are currently either active or in development, as well as, existing grant projects and future ROD grant projects that are expected to be approved in the 3rd or 4th quarter of this year. These projects are detailed as follows:

ACTIVE CAPITAL PROJECTS DESIGN OR CONSTRUCTION IN SDA DISTRICTS

<i>County</i>	<i>District</i>	<i>Project</i>	<i>Project Type</i>
<i>Bergen</i>	<i>Garfield</i>	<i>New ES (Wilson Replacement)</i>	<i>New School (Replacement)</i>
<i>Cumberland</i>	<i>Bridgeton</i>	<i>High School</i>	<i>Addition/Renovation</i>
<i>Essex</i>	<i>Newark</i>	<i>New Pre-K to 8 (School Purchase)</i>	<i>Building Acquisition</i>
<i>Essex</i>	<i>Orange</i>	<i>Cleveland St. ES</i>	<i>Addition/Renovation</i>
<i>Hudson</i>	<i>Union City</i>	<i>New Grade 7 to 9 School</i>	<i>New School (Replacement)</i>
<i>Middlesex</i>	<i>Perth Amboy</i>	<i>New High School</i>	<i>New School</i>
<i>Monmouth</i>	<i>Keansburg</i>	<i>Port Monmouth Road School</i>	<i>Addition/Renovation</i>
<i>Union</i>	<i>Elizabeth</i>	<i>New ES (Battin Replacement)</i>	<i>New School (Replacement)</i>
<i>Union</i>	<i>Plainfield</i>	<i>New Booker ES at Woodland Site</i>	<i>New School (Replacement)</i>

CAPITAL PROJECTS IN SDA DISTRICTS IN DEVELOPMENT

<i>County</i>	<i>District</i>	<i>Grades Served *</i>	<i>Project Type *</i>
<i>Atlantic</i>	<i>Pleasantville</i>	<i>PK - 5</i>	<i>New School (Replacement)</i>
<i>Bergen</i>	<i>Garfield</i>	<i>PK - 5</i>	<i>New School (Replacement)</i>
<i>Camden</i>	<i>Camden City</i>	<i>PK - 8</i>	<i>New School (Replacement)</i>
<i>Camden</i>	<i>Camden City</i>	<i>PK - 8</i>	<i>New School (Replacement)</i>
<i>Cumberland</i>	<i>Bridgeton</i>	<i>PK, 6 - 8</i>	<i>Addition/Renovation</i>
<i>Cumberland</i>	<i>Bridgeton</i>	<i>6 - 8</i>	<i>Addition/Renovation</i>
<i>Essex</i>	<i>Newark</i>	<i>PK - 8</i>	<i>New School (Replacement)</i>
<i>Hudson</i>	<i>Jersey City</i>	<i>PK</i>	<i>New School</i>
<i>Hudson</i>	<i>West New York</i>	<i>PK - 8</i>	<i>New School</i>
<i>Mercer</i>	<i>Trenton</i>	<i>K - 5</i>	<i>New School</i>
<i>Middlesex</i>	<i>New Brunswick</i>	<i>6 - 8</i>	<i>Addition/Renovation</i>
<i>Middlesex</i>	<i>Perth Amboy</i>	<i>K - 5</i>	<i>New School</i>
<i>Passaic</i>	<i>Passaic City</i>	<i>9 - 12</i>	<i>New School or Add/Reno</i>
<i>Passaic</i>	<i>Paterson</i>	<i>9 - 12</i>	<i>New School or Add/Reno</i>
<i>Salem</i>	<i>Salem City</i>	<i>PK - 8</i>	<i>New School (Replacement)</i>

** Grades Served and Project Type are subject to change based upon on-going planning discussions with individual districts.*

Discussion Points (Cont'd)

ACTIVE EMERGENT PROJECTS IN SDA DISTRICTS

County	District	School	Project Scope
<i>Burlington</i>	<i>Burlington</i>	<i>Samuel Smith</i>	<i>Windows Repair/Replacement Roof Replacement</i>
<i>Camden</i>	<i>Camden City</i>	<i>Veteran Memorial School</i>	<i>Exterior Masonry, Windows, Roofing & Site Work</i>
<i>Essex</i>	<i>East Orange</i>	<i>Fresh Start Academy</i>	<i>Water Infiltration Roof, Masonry</i>
<i>Essex</i>	<i>Irvington</i>	<i>Grove Street School</i>	<i>Boiler Replacement and HVAC Repairs</i>
<i>Essex</i>	<i>Newark</i>	<i>Branch Brook ES</i>	<i>Water infiltration - Exterior Masonry</i>
<i>Essex</i>	<i>Newark</i>	<i>Cleveland</i>	<i>Boiler Room Vault Repairs</i>
<i>Essex</i>	<i>Newark</i>	<i>Malcolm X Shabazz HS</i>	<i>Structural and Cantilever Slab Repairs</i>
<i>Essex</i>	<i>Newark</i>	<i>Roberto Clemente</i>	<i>Sub-Basement Water Infiltration</i>
<i>Essex</i>	<i>Newark</i>	<i>Salome Urena (Old 1st)</i>	<i>Water infiltration - Exterior Masonry</i>
<i>Essex</i>	<i>Newark</i>	<i>Technology HS</i>	<i>Structural Vault Repairs and Façade Repairs</i>
<i>Essex</i>	<i>Newark</i>	<i>University HS</i>	<i>Partial Roof Replacement</i>
<i>Mercer</i>	<i>Trenton</i>	<i>Franklin ES</i>	<i>Water infiltration - Exterior Masonry Structural - Boiler Stack Repair</i>
<i>Hudson</i>	<i>Union City</i>	<i>Emerson MS</i>	<i>Water Infiltration - Roof Replacement Exterior Masonry and Stucco Repairs</i>
<i>Hudson</i>	<i>Union City</i>	<i>Union Hill MS</i>	<i>Water Infiltration - Roof Replacement Exterior Masonry and Stucco Repairs Structural Chimney repairs</i>

ACTIVE EMERGENT PROJECT GRANTS IN SDA DISTRICTS

County	District	School	Project Scope
<i>Essex</i>	<i>Newark</i>	<i>Hawthorne School</i>	<i>Exterior Masonry Water Infiltration</i>
<i>Essex</i>	<i>Newark</i>	<i>Malcolm X Shabazz HS</i>	<i>Courtyard Drainage Water Infiltration</i>

ACTIVE GRANT PROJECTS IN REGULAR OPERATING DISTRICTS

County	District	School	Project Type
<i>Bergen</i>	<i>Alpine</i>	<i>Alpine Public E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Bergen</i>	<i>Edgewater</i>	<i>Eleanor Van Gelder E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Bergen</i>	<i>Palisades Park</i>	<i>Lindbergh E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Bergen</i>	<i>Rutherford</i>	<i>Rutherford H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Bergen</i>	<i>Rutherford</i>	<i>Pierrepoint E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Bergen</i>	<i>Rutherford</i>	<i>Sylvan E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Burlington</i>	<i>Beverly City</i>	<i>Beverly E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Burlington</i>	<i>Delran Township</i>	<i>Delran M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Audubon</i>	<i>Haviland Avenue E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Berlin Township</i>	<i>Dwight D. Eisenhower Mem. E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Berlin Township</i>	<i>John F. Kennedy Memorial E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Black Horse Pike Regional</i>	<i>Highland H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Black Horse Pike Regional</i>	<i>Timber Creek Regional H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Black Horse Pike Regional</i>	<i>Triton H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Brooklawn</i>	<i>Alice Costello E.S.</i>	<i>Rehab of Existing Facility</i>

Discussion Points (Cont'd)

<i>County</i>	<i>District</i>	<i>School</i>	<i>Project Type</i>
<i>Camden</i>	<i>Camden County Vocational School District</i>	<i>Camden Co. Technical V.S. (Pennsauken)</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Camden County Vocational School District</i>	<i>Camden Co.. Technical V.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Pennsauken Township</i>	<i>Pennsauken H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Winslow Township</i>	<i>Winslow Twp. H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Winslow Township</i>	<i>Winslow Twp. M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Camden</i>	<i>Winslow Township</i>	<i>Winslow Township School No. 2 E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Cumberland</i>	<i>Commercial Township</i>	<i>Haleyville-Mauricetown E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Cumberland</i>	<i>Commercial Township</i>	<i>Port Norris MS (050 FC also for Port Norris ES)</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Montclair High School/George Inness H.S. Annex</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Rand E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Bradford E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Edgemont E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Glenfield M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Hillside E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Mt. Hebron M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Nishuane E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Northeast E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Renaissance M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>Montclair</i>	<i>Watchung E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>South Orange-Maplewood</i>	<i>Columbia Senior H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>South Orange-Maplewood</i>	<i>Maplewood M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>West Orange</i>	<i>West Orange H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>West Orange</i>	<i>Hazel Avenue E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>West Orange</i>	<i>Redwood E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Essex</i>	<i>West Orange</i>	<i>St. Cloud E.S.</i>	<i>Not Applicable</i>
<i>Gloucester</i>	<i>National Park Borough</i>	<i>National Park E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Gloucester</i>	<i>Paulsboro</i>	<i>Paulsboro H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Gloucester</i>	<i>Paulsboro</i>	<i>Billingsport E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Gloucester</i>	<i>Paulsboro</i>	<i>Loudenslager E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Gloucester</i>	<i>Swedesboro-Woolwich</i>	<i>Walter H. Hill E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>East Windsor Regional</i>	<i>Hightstown H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>East Windsor Regional</i>	<i>Ethel McKnight E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>East Windsor Regional</i>	<i>Melvin H. Kreps M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>East Windsor Regional</i>	<i>Perry L. Drew E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>Hamilton Township - Mercer</i>	<i>Richard C. Crockett M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>Mercer County Vocational School District</i>	<i>MCVS Assunpink Center V.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>W.W.P.H.S.-South Campus</i>	<i>Rehab of Existing Facility</i>

Discussion Points (Cont'd)

<i>County</i>	<i>District</i>	<i>School</i>	<i>Project Type</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>Dutch Neck E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>Thomas R. Grover M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>Maurice Hawk E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>John V.B. Wicoff E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>Community M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Mercer</i>	<i>West Windsor-Plainsboro Regional</i>	<i>Millstone River ES</i>	<i>Rehab of Existing Facility</i>
<i>Middlesex</i>	<i>Middlesex County Vocational School District</i>	<i>East Brunswick V.S.</i>	<i>Rehab of Existing Facility</i>
<i>Middlesex</i>	<i>Middlesex County Vocational School District</i>	<i>MCVT Piscataway School of Career Dev</i>	<i>Rehab of Existing Facility</i>
<i>Middlesex</i>	<i>Piscataway Township</i>	<i>Piscataway Township H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Colts Neck Township</i>	<i>Cedar Drive M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Colts Neck Township</i>	<i>Conover Road E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Colts Neck Township</i>	<i>Conover Rd. Primary School</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Holmdel Township</i>	<i>Indian Hill E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Howell Township</i>	<i>Ardena E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Howell Township</i>	<i>Newbury E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Oceanport Borough</i>	<i>Wolf Hill E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Monmouth</i>	<i>Union Beach Borough</i>	<i>Memorial E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Mountain Lakes</i>	<i>Lake Dr. Sch. for Hearing Imp.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Pequannock Township</i>	<i>Pequannock Township H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Pequannock Township</i>	<i>Hillview E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Pequannock Township</i>	<i>North Boulevard E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Pequannock Township</i>	<i>Pequannock Valley M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Pequannock Township</i>	<i>Stephen J. Gerace E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Rockaway Borough</i>	<i>Lincoln E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Wharton Borough</i>	<i>Alfred C. MacKinnon M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Morris</i>	<i>Wharton Borough</i>	<i>Marie V. Duffy E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Ocean</i>	<i>Ocean Township - Ocean</i>	<i>Frederic A. Priff E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Ocean</i>	<i>Ocean Township - Ocean</i>	<i>Waretown E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Ocean</i>	<i>Southern Regional</i>	<i>Southern Regional H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Ocean</i>	<i>Southern Regional</i>	<i>Southern Regional M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Elsinboro Township</i>	<i>Elsinboro E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Penns Grove-Carneys Point Regional</i>	<i>Penns Grove H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Penns Grove-Carneys Point Regional</i>	<i>Paul W. Carleton E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Penns Grove-Carneys Point Regional</i>	<i>Field Street E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Penns Grove-Carneys Point Regional</i>	<i>Lafayette-Pershing E.S.</i>	<i>Rehab of Existing Facility</i>

Discussion Points (Cont'd)

<i>County</i>	<i>District</i>	<i>School</i>	<i>Project Type</i>
<i>Salem</i>	<i>Penns Grove-Carneys Point Regional</i>	<i>Penns Grove M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Woodstown-Pilesgrove Regional</i>	<i>Woodstown H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Salem</i>	<i>Woodstown-Pilesgrove Regional</i>	<i>Mary S. Shoemaker E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Bernards Township</i>	<i>William Annin M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Bernards Township</i>	<i>Oak Street E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Bernards Township</i>	<i>Cedar Hill E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Franklin Township</i>	<i>Conerly Road E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Franklin Township</i>	<i>Hillcrest E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Franklin Township</i>	<i>MacAfee E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Franklin Township</i>	<i>Sampson G. Smith School</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>Franklin Township</i>	<i>Franklin Middle School</i>	<i>Rehab of Existing Facility</i>
<i>Somerset</i>	<i>North Plainfield Borough</i>	<i>North Plainfield H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Sussex</i>	<i>Sandyston-Walpack Township</i>	<i>Sandyston-Walpack Cons. E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Sussex</i>	<i>Sussex County Vocational School District</i>	<i>Sussex County Tech V.S.</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Abraham Clark H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Harrison E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Dr. Charles C. Polk</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Leonard V. Moore M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Washington E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Union</i>	<i>Roselle Borough</i>	<i>Wilday M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Warren</i>	<i>Hackettstown</i>	<i>Hackettstown H.S.</i>	<i>Rehab of Existing Facility</i>
<i>Warren</i>	<i>Hackettstown</i>	<i>Hackettstown M.S.</i>	<i>Rehab of Existing Facility</i>
<i>Warren</i>	<i>Hackettstown</i>	<i>Hatchery Hill E.S.</i>	<i>Rehab of Existing Facility</i>
<i>Warren</i>	<i>Hackettstown</i>	<i>Willow Grove E.S.</i>	<i>Rehab of Existing Facility</i>

For Capacity Generating Major Capital Projects Active in Design or Construction more defined projects details are available below:

<i>District</i>	<i>School Name</i>	<i>Grade Alignment</i>	<i>Project Type</i>	<i>Delivery Year (Sub. Comp)</i>	<i>School Opening</i>	<i>New Construction SF</i>	<i>Max Capacity</i>	<i>New Seats</i>	<i>Total Project Costs (Millions)</i>
<i>Keansburg</i>	<i>Port Monmouth Road School</i>	<i>PK to K</i>	<i>Addition / Renovation</i>	<i>Q3 2022</i>	<i>Phased</i>	<i>27,300</i>	<i>318</i>	<i>318</i>	<i>\$28.4</i>
<i>Newark</i>	<i>New PK - 8 (school purchase)</i>	<i>PK to 8</i>	<i>Building Acquisition</i>	<i>N/A</i>	<i>Sep-23</i>	<i>N/A</i>	<i>320</i>	<i>376</i>	<i>\$20.0</i>
<i>Plainfield</i>	<i>New Booker ES (Woodland)</i>	<i>K to 5</i>	<i>New School</i>	<i>Q3 2023</i>	<i>Sep-23</i>	<i>121,000</i>	<i>839</i>	<i>569</i>	<i>\$59.4</i>
<i>Orange</i>	<i>Cleveland St. ES</i>	<i>PK to 6</i>	<i>Addition / Renovation</i>	<i>Q3 2024</i>	<i>Sep-24</i>	<i>11,600</i>	<i>348</i>	<i>N/A</i>	<i>\$56.1</i>
<i>Perth Amboy</i>	<i>New High School</i>	<i>9 to 12</i>	<i>New School</i>	<i>Q2 2024</i>	<i>Sep-24</i>	<i>576,000</i>	<i>3,294</i>	<i>3,294</i>	<i>\$283.8</i>
<i>Union City</i>	<i>New Grade 7 to 9 School</i>	<i>7 to 9</i>	<i>New School</i>	<i>Q2 2025</i>	<i>Sep-25</i>	<i>125,000</i>	<i>840</i>	<i>840</i>	<i>\$93.7</i>
<i>Garfield</i>	<i>New ES (Wilson Replacement)</i>	<i>K to 5</i>	<i>New School</i>	<i>Q3 2026</i>	<i>Sep-26</i>	<i>125,000</i>	<i>852</i>	<i>566</i>	<i>\$80.2</i>
<i>Bridgeton</i>	<i>High School</i>	<i>9 to 12</i>	<i>Addition / Renovation</i>	<i>Q4 2026</i>	<i>Phased</i>	<i>69,500</i>	<i>384</i>	<i>384</i>	<i>\$49.2</i>
<i>Elizabeth</i>	<i>New ES (Batten Replacement)</i>	<i>PK to 8</i>	<i>New School</i>	<i>Q2 2027</i>	<i>Sep-27</i>	<i>142,000</i>	<i>1,068</i>	<i>268</i>	<i>\$96.2</i>

Discussion Points (Cont'd)

2. The FY 2024 Governor's Budget recommends an unchanged \$75.0 million appropriation to the Schools Development Authority for SDA Capital Maintenance and Emergent Projects. The funding would be made available to offset district costs associated with emergent and capital maintenance projects and ensuring students have safe and healthy learning environments. In response to an FY 2023 OLS Discussion Point, the authority stated that the FY 2022 appropriation for the same purpose was allocated to school districts based on a formula based on an individual district's share of the total square footage estimated to be needed to educate students in all districts.

- **Questions:** Was the same formula that was used in distributing funds under the FY 2022 appropriation used in distributing funds under the FY 2023 appropriation? Does the authority plan to use the same formula in FY 2024?
- Please provide an overview of the ways in which school districts used funds provided under the FY 2023 appropriation for SDA Capital Maintenance and Emergent Projects. In the department's estimation, what types of school facilities needs were most prevalent and most significant when examining the purposes for which school districts used funds? Please detail the most common types of school facilities costs for which school districts used the funds.

Yes, the same formula was utilized but the allocation was adjusted based upon updated enrollment data. It is anticipated that the same methodology will be utilized.

An analysis of the submissions received from SDA districts during the past two funding cycles has shown that the majority of funding has been used to address HVAC, Building Envelope, Life Safety, Site and Security needs. We find this analysis to be consistent with the types of costs being funded for the Regular Operating Districts as well.

3. P.L.2022, c.18 appropriated \$1.55 billion out of the off-budget New Jersey Debt Defeasance and Prevention Fund to the Schools Development Authority for school facilities projects, emergent needs, and capital maintenance in SDA (former Abbott) districts. Similar to bond proceeds, the appropriation is intended to fund the cost of such projects for several years. As of March 2, 2023, the full amount of the appropriation is unexpended but the Schools Development Authority Board of Directors authorized advancement of 16 additional capital projects from a portion of the \$1.55 billion appropriation for SDA district projects.

- **Question:** For each of the 16 SDA district projects that received authorization for advancement using the \$1.55 billion appropriation out of the New Jersey Debt Defeasance and Prevention Fund under P.L.2022, c.18, please provide the school district to which the project will be delivered, the grades served, the project type, and estimates concerning each project's completion date, construction costs, the number of new seats, new capacity, or other identified critical needs.

These projects are in the scope development and scope finalization stages. The chart below details the preliminary planning assumptions for each project and the preliminary planned scope of work to be advanced and the associated estimated costs. These are subject to further discussion with each District and the Department of Education to ensure that projects advanced are most responsive and appropriate to fulfill district needs. The projects are all anticipated to advance within the next five to seven years.

Discussion Points (Cont'd)

School District	Project	Project Type	New Capacity	New Seats	New Construction Square Footage	Order of Magnitude Cost Projection (millions)
Bridgeton	PK, 6 - 8 Add	Addition/Renovation	300	328	57,750	\$ 54.4
Bridgeton	6 - 8 Add	Addition/Renovation	300	333	57,750	\$ 54.4
Camden	Replacement PK - 8	New School	640	704	105,600	\$ 75.0
Camden	Replacement PK - 8	New School	640	704	105,600	\$ 75.0
Garfield	New PK - 5 (Replacement)	New School	386	706	104,000	\$ 76.9
Jersey City	New ECC #13	New School	360	360	55,800	\$ 38.6
New Brunswick	Middle School Addition	Addition/Renovation	500	588	82,500	\$ 74.1
Newark	New PK - 8 (school purchase)	Building Acquisition	320	376	N/A	\$ 20.0
Newark	New PK - 8 (Replacement)	New School	400	932	139,920	\$ 99.3
Passaic City	High School	New School or Addition/Renovation	875	TBD	TBD	TBD
Paterson	New High School	New School	1,000	1,176	200,000	\$ 160.4
Perth Amboy	New K - 5	New School	500	556	80,000	\$ 71.9
Pleasantville	New PK - 5 (Replacement)	New School	205	539	80,000	\$ 57.8
Salem City	Replacement PK - 8	New School	880	961	145,200	\$ 100.4
Trenton	New K - 5	New School	725	806	116,000	\$ 70.5
West New York	New PK - 8	New School	500	549	82,500	\$ 57.0

Order of Magnitude (OOM) Cost Projections are derived by applying planning assumptions for square feet per student to projected capacity to calculate a projected construction square footage. We then apply planning assumptions for project costs based upon relevant recent project history to calculate the OOM Cost Projection inclusive of contingency.

4. P.L.2022, c.18 appropriated \$350.0 million out of the off-budget New Jersey Debt Defeasance and Prevention Fund to the Schools Development Authority to fund school facilities projects in regular operating districts, which are school districts other than SDA (former Abbott) districts. The Department of Education announced that school districts may apply for funds between January 30, 2023 and May 1, 2023. School districts are eligible to receive a minimum of 40 percent of approved eligible project costs from the State and are required to demonstrate local matching funds for the balance of project costs.

- **Questions:** When can school districts expect to receive a determination concerning their application under this program? When can districts expect to be notified of their approved grant amounts? How many school districts does the department expect will receive funds under this program?

The Department of Education is responsible for the final determination of eligible costs and grant amounts under this program. Districts will be notified of their grant amounts upon the Department's issuance of the Preliminary Eligible Costs approval letter for their submitted grant projects. Our expectation is these approvals will be issued in the 3rd or 4th Quarter of 2023.

It is difficult to estimate exactly how many Districts will take advantage of the program as it will be impacted by the size and type of projects approved. During the last round of Regular Operating District grant project approvals in 2014 the Department approved over 1,500 projects with total estimated project costs of over \$1.1 billion and state share of over \$500 million impacting 320 school districts in all 21 counties.

Discussion Points (Cont'd)

5. Various research has indicated that several factors, including the COVID-19 pandemic, supply chain disruptions, and inflation, have led to increased costs for the construction industry and caused construction project funding gaps. This general trend across the construction industry has also been reported as affecting the construction of school facilities projects.

- **Questions:** Since the onset of the COVID-19 pandemic in 2020, please describe the effect of increased costs on school facilities projects undertaken by the Schools Development Authority. Please describe the extent to which unexpected changes in project budgets have increased total project costs. How have increased costs for current projects, if any, affected the ways in which the Schools Development Authority is estimating costs for upcoming projects that will be undertaken?

SDA tracks the costs of all projects including those that were active during the COVID-19 pandemic. We did not experience construction cost increases on projects that were procured and awarded before the pandemic. We experienced cost increases on change order work on some of the active projects and cost impacts resulting from projects delayed by supply chain shortages. The SDA has experienced increased costs on some change order work due to higher material costs. In addition, costs increased on projects that experienced delays in delivery. These included additional costs associated with temporary space, as well as costs associated with project management fees due to the extended duration. These overages are covered by contingencies included in each project budget and in the SDA Capital program.

The additional costs encountered on school projects due to supply chain issues and inflation impacts as described above have resulted in adjustments to our planning cost estimates on more recent projects. Our project cost estimates are continuously adjusted based upon current market conditions and experiences. Therefore, upcoming projects from our 2022 Capital Plan will be subject to the same level of scrutiny we utilized on past capital projects. Our program is a multi-year program subject to cyclical construction cost adjustments that can result in either increased or decreased construction costs that are dependent upon many factors in the industry. As a result of our experience SDA has adjusted its planning assumptions to factor in market conditions.