

**Manuel Da Silva, Chief Executive Officer, New Jersey Schools Development Authority**  
**Assembly Budget Committee Hearing**  
**Opening Remarks**

Good morning, Chair Pintor Marin, Vice-Chair Park, and the members of the Assembly Budget Committee. It is a pleasure to appear before you today alongside Commissioner Laux and our colleagues at the Department of Education.

I welcome the opportunity to share the progress and accomplishments of the New Jersey Schools Development Authority and our support of the Governor's proposed Fiscal Year 2027 budget. With me today is Gregory Voronov, Managing Director of Planning and Program Operations at the SDA. Together, we are prepared to answer any questions you may have about the school construction program.

We know that access to quality schools has a profound impact on student outcomes. Whether it be the availability of natural daylight, temperature control, innovative learning spaces, or technology integration, new and renovated school facilities encourage academic success, school pride, and community connection for students.

At the opening of the new Esther Salas Academy in Union City this past September, we witnessed this community impact firsthand. During the ribbon cutting ceremony, Judge Esther Salas spoke of the transformative power of education. The innovative learning areas included in this new school amplify the educational programs offered to more than 900 students while fostering creativity, collaboration, and hands-on learning.

Demonstrating the power of partnership, this school project also exemplified the tangible benefits that can be achieved when multiple levels of government work together for the betterment of students. In this instance, State, local and school district officials were able to secure significant federal grant funding to help support the overall cost of the project. SDA routinely thinks outside of the box, looking for ways to deliver on our commitments while ensuring fiscal responsibility.

The proposed Fiscal Year 2027 budget includes \$400 million out of the 2022 New Jersey Debt Defeasance and Prevention Fund appropriation to fund Authority projects and operations. This funding, combined with funding previously allocated to the Authority, is essential for the continued advancement of projects in SDA Districts and Regular Operating Districts.

The SDA's Capital Program is turning blueprints into buildings that have the power to transform student lives. SDA projects ensure children have proper access to modern learning environments where students can thrive, regardless of their zip code. Once complete, the projects in the current

capital plan will deliver more than 15,000 new student seats, significantly reducing capacity deficiencies and shaping the education of generations of learners.

We are making real headway in the advancement of this portfolio. In fact, by the end of 2026, 14 of the 18 projects in the SDA's capital plan will either be complete, in construction, engaged with a design-builder, or undergoing in-house design.

I will break this down in more detail to highlight this significant progress. Two projects are complete following the SDA's use of an alternative delivery approach – in New Brunswick and Newark. Two new elementary schools – in Garfield and Elizabeth – are currently under construction. Four more new school projects – in Paterson, Pleasantville, Trenton, and West New York – will enter construction within the next six months. Another three projects – Bridgeton, Camden, and Newark – will enter into a contract with a design-builder before the end of the year. Finally, three projects – Jersey City, Passaic City, and Salem City – are in design development. Notably, the SDA will also initiate demolition and early site preparation activities at two of these sites – Newark and Passaic City – to ready them for future school construction. The four remaining projects will advance through a staggered delivery.

Combined, these projects will generate significant economic opportunities for the State's construction workers and small construction businesses with more than \$825 million in construction activity.

Construction of new and renovated schools does not represent the entirety of the SDA's portfolio. The State's investment in school construction extends beyond new buildings – it funds the replacement of leaky roofs, modernizing outdated systems, and ensuring students have access to safe, warm, and dry learning environments.

In SDA Districts, capital maintenance and emergent grant funding allows school districts to address the upgrades and repairs they deem most necessary at their existing schools. This breathes new life into aged buildings by addressing water infiltration, roofs, exterior masonry, windows, as well as heating, ventilation and cooling systems. The Fiscal Year 2027 budget once again proposes \$50 million for these critical improvements. If approved, we anticipate each SDA school district would receive similar funding amounts to those awarded in the current fiscal year.

The work of the SDA touches all 21 counties and hundreds of school districts through the Regular Operating District Grant program. Currently, SDA is supporting 607 grant projects in 213 school districts, representing \$818 million in total project costs and a State share of approximately \$360 million. These grants help districts leverage local resources to pay for important school facility projects that improve and extend the lifecycle of school buildings.

While the SDA is focused on delivering upon its current capital commitments, we remain forward looking so that we are prepared to undertake future facility needs. Following the issuance of the DOE's 2024 Educational Facilities Needs Assessment, the SDA updated its Statewide Strategic Plan to reflect the most current needs across SDA Districts. The Statewide Strategic Plan brings clarity and transparency to how projects are prioritized, supporting long-term planning while keeping the focus on delivering quality school facilities where they are needed most.

As reflected in this plan, there remains a need for more than 10,000 new seats to address capacity deficiencies in 16 of the 31 SDA Districts. Additionally, there are over 100 existing facilities that require either replacement or major modernization work due to building age or condition. The SDA continuously validates enrollment data and school building inventory information with SDA Districts and, as such, will continue to revise the Statewide Strategic Plan when appropriate.

SDA's portfolio of projects demonstrates our commitment to the delivery of efficiently designed facilities that enhance the academic environment for students while promoting fiscal responsibility in the management of taxpayers' resources. We employ several initiatives to achieve this goal, including our Model Schools Program, materials and systems standards, and the use of performance specifications. These standards result in parity across SDA Districts, providing greater consistency while responding to varying site conditions and educational program requirements.

The State's continued investment in school construction projects sends a clear message to New Jersey students – we want them to reach their academic potential and future success. A key element toward achieving this goal is access to school buildings that enhance learning. The SDA has a proven record of strengthening the State's educational infrastructure. This legacy is driven by our dedicated staff and Board of Directors whose work creates lasting benefits for students. Alongside our contracting partners and labor unions, we stay responsive to a rapidly changing industry to ensure school delivery within approved timeframes. Together, we make meaningful progress for students and communities throughout New Jersey.

We pride ourselves on transparency and accountability to our program stakeholders. SDA leadership remains committed to working with the Administration, the Legislature, and our stakeholders to address the school facilities needs that exist statewide even within tight financial constraints. The State's investment in its educational infrastructure goes well beyond the classroom – it supports our future leaders and guides them toward success. We appreciate your continued support and look forward to shaping brighter futures for New Jersey students together.