

## Discussion Points

1. Prior to FY 2022, Schools Development Authority operations had generally been funded through the proceeds of bonds issued by the New Jersey Economic Development Authority. The “Educational Facilities Construction and Financing Act” authorized \$12.5 billion in bonds, of which about \$648.2 million remains to be issued.

In FY 2022, the authority began to fund school facilities projects and authority operations through sources other than bond proceeds. The FY 2022 Appropriations Act included \$200.0 million out of the General Fund for the direct funding of school facilities projects. No new funding was provided in FY 2023. P.L.2022, c.18 then allocated \$1.9 billion out of the off-budget New Jersey Debt Defeasance and Prevention Fund to the authority for school facilities projects through FY 2029.

Disbursement Schedule of \$1.9 Billion Debt Defeasance and Prevention Fund Allocation to Schools Development Authority	
FY 2024	\$250,000,000
FY 2025	\$350,000,000
FY 2026	\$350,000,000
FY 2027	\$350,000,000
FY 2028	\$350,000,000
FY 2029	\$250,000,000
<b>Total</b>	<b>\$1,900,000,000</b>

In response to an FY 2026 OLS Discussion Point, the Schools Development Authority indicated it was utilizing available funds in FY 2026 to finance one major capital projects from the authority’s 2012 capital plan as well as 11 of the 20 projects identified in the 2022 capital plan, as updated in 2024. For FY 2027, the Governor recommends using \$350 million out of the New Jersey Debt Defeasance and Prevention Fund appropriation to fund authority projects and operations.

- **Questions:** Please elaborate on the intended uses of the \$350 million proposed FY 2027 appropriation for Schools Development Authority facilities projects. Does the authority expect to use other available funds in FY 2027? If so, what is the source of the supplemental funding?

The New Jersey Schools Development Authority (SDA) intends to utilize the funds to continue to support the advancement of the projects in the current capital plan, any remaining emergent projects, and our slate of Regular Operating District grant projects. The SDA expects to continue to utilize prior year allocations from the New Jersey Debt Defeasance and Prevention Fund as well as any remaining funds from the FY 2022 \$200 million appropriation.

NOTE: The funding values noted above have been modified as of this writing. The planned FY 2027 allocation has been increased to \$400 million.

- Please detail the status of each of the projects that are currently being managed by the authority. In addition, for each project, please provide the school district, the grades served, the project type, and estimates concerning each project’s completion date, if available, the number of new seats, new capacity, and an updated cost estimate. Have any projects experienced delays, cost overruns, or any other construction challenges?

While some projects have experienced increased costs due to current market conditions, all increases are accounted for within the contingencies established within our capital plan for such occurrences.

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County	District	Grades Served	Project / Project Type	Status	School Opening	New Seats	Total Project Costs (Millions)
Atlantic	Pleasantville	PK - 5	New Decatur Ave School	Design-Build Design	Sep-2028	658	\$65.8
Bergen	Garfield	K - 5	New School (#5 Replacement)	Construction	Sep-2027	852	\$87.6
Bergen	Garfield	K - 5	New School (Replacement)	Planning	TBD	706	TBD
Camden	Camden	9 - 12	New Eastside HS (Replacement)	Bridging Design	Sep-2029	941	\$115.1
Cumberland	Bridgeton	9 - 12	HS Addition/Renovation	Design-Build Procurement	Phased*	384	\$85.7
Cumberland	Bridgeton	6 - 8	Addition/Renovation	Planning	TBD	328	TBD
Cumberland	Bridgeton	6 - 8	Addition/Renovation	Planning	TBD	333	TBD
Essex	Newark	PK - 8	Mandela School Acquisition	Complete	Sep-2023	376	\$20.5
Essex	Newark	9 - 12	New University HS (Replacement)	Bridging Design	Sep-2029	1,438	\$153.0
Hudson	Jersey City	PK - K	School #24 Addition	Bridging Design	Sep-2030	288	\$37.5
Hudson	West New York	6 - 8	New School (Warminster Site)	Design-Build Design	Sep-2028	876	\$121.8
Mercer	Trenton	K - 6	New School (Dunn School Site)	Design-Build Design	Sep-2028	837	\$89.4
Middlesex	New Brunswick	6 - 8	Addition/Renovation	Planning	TBD	240	TBD
Middlesex	New Brunswick	6 - 8, 9 - 12	MS / P-Tech Annex Acquisition	Complete	Sep-2024	859	\$42.0
Passaic	Passaic City	9 - 12	New School (HS #12 Replacement)	Bridging Design	Sep-2031	2,823	\$328.1
Passaic	Paterson	9 - 12	New STEAM & STARS High School	Design-Build Design	Sep-2029	1,412	\$160.3
Salem	Salem City	PK - 8	New School (Replacement)	Program Concept Design	Sep-2031	961	\$121.3
Union	Elizabeth	PK - 8	New School (Battin Replacement)	Construction	Sep-2028	1,068	\$101.5
<b>18 Projects</b>						<b>15,380</b>	<b>\$1,529.6</b>

\*The Bridgeton High School addition/renovation project is a phased, multi-year project being undertaken at an existing, occupied high school facility. This project has experienced some delays due to two unsuccessful procurements that were negatively impacted by successful bid protests, resulting in the need for the project to be rebid. The SDA is in an initial rebidding process for the project and it is anticipated that a second rebid will be necessary. As such, we anticipate the project will be delivered no later than September 2029.

- **Please discuss any strategies or policies the authority has put in place to balance the need for adequate facilities in the SDA (former Abbott) districts with ensuring the efficient use of limited public funds.**

The SDA continues to employ several initiatives to ensure an efficient use of limited public funds while providing school districts with the educational facilities they need to deliver their approved educational programs.

The current Model School Design Program includes a series of prototypical design standards for school facilities comprised of the “Kit of Parts” utilizing standardized Modern Building Component Elements, Model Educational Specifications, and Model Program Templates created by the SDA for the efficient, adaptable, and scalable organization and configuration of instructional, large group assembly, and other elements within a school facilities project.

The SDA utilizes a broad range of design standards to ensure predictable delivery of high-quality and high-performing school facilities. The full complement of design standards consists of SDA Materials and System Standards, and Performance Specifications, developed by the Authority and includes other

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standards and codes consisting of the Uniform Construction Code and DCA's Best Practices Standards for Schools Under Construction or Being Planned for Construction. The design standards reduce excess costs and ensure that building materials, systems, and technology are modern, current, and efficient.

The SDA has found our design standards to be effective at providing greater consistency in school facility projects within and across all SDA Districts while responding to varying site conditions and educational program requirements. The standards ensure parity across the districts, providing only the spaces educationally necessary to support the New Jersey Department of Education's (DOE) approved educational program.

- **Please identify the year in which the authority currently projects the depletion of its resources.**

The SDA will receive its final disbursement from the New Jersey Debt Defeasance and Prevention Fund proceeds in FY 2029 and will then have to rely on other sources of funding, which potentially include appropriations and the remaining existing bonding authority to support completion of any remaining capital plan projects and Regular Operating District grants anticipated for completion by FY 2032.

While the SDA has sufficient funding to continue to advance its current capital plan, SDA will require additional funding to advance additional projects to address needs identified in the 2026 Statewide Strategic Plan.

- **Based on current cost projections for its projects, does the authority have the financial resources to complete the construction of all school facility projects included in the 2022 capital plan, as updated in 2024? If not, please explain what variables in the authority's initial cost projections proved overly optimistic and what the underlying factors are that have pushed costs beyond initial projections.**

The SDA expects that all projects within the current capital plan will be able to be completed with the existing resources available to the program.

2. In response to an FY 2026 OLS Discussion Point, the Schools Development Authority indicated that subsequent to the December 2024 update to its Statewide Strategic Plan for SDA Districts, it would not be required until 2029 to produce another revision. However, the authority noted that it would update the plan as needed over time. In December 2025, the authority then released the 2026 Statewide Strategic Plan for SDA Districts based upon the Department of Education's 2024 Educational Facilities Needs Assessment and other factors.

- **Questions: What circumstances made the authority decide to produce a new Statewide Strategic Plan within a year of the previous update?**

The issuance of the DOE's 2024 Educational Facilities Needs Assessment allowed the SDA to update the Statewide Strategic Plan to reflect current information regarding facility needs across SDA Districts. While required to update the plan every five years, the SDA is continuously validating information with school districts and makes revisions to the Statewide Strategic Plan when appropriate.

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- **What are the consequences of the December 2025 changes in the strategic plan? How does the December 2025 update affect the financing of school facilities projects? Is funding currently available to address the priority needs identified in the 2026 Statewide Strategic Plan?**

As detailed in the Statewide Strategic Plan presentation, there were two modifications to the capital plan:

- **2024 Educational Facilities Needs Assessment Driven Adjustment**
  - Perth Amboy – A new school project for grades K-5 was removed from the capital plan. Based upon the 2024 Educational Facilities Needs Assessment, there is no longer an educational need for the project and there are no major educational projects identified in the district's Long-Range Facilities Plan.
- **Other Factors**
  - Union City – A school acquisition project for grades 7-9 was removed from the capital plan due to the inability for the school district and the seller of the proposed facility to come to terms on mutually agreeable sales terms.

The funding currently available is **not** sufficient to advance any of the priority needs articulated in the 2026 Statewide Strategic Plan.

- **What updates are contained within the 2026 Statewide Strategic Plan? Does the 2026 Strategic Plan represent a shift in the prioritization of certain types of facilities needs over others? To what extent do the project delivery mechanisms differ between the 2026 Statewide Strategic Plan and the 2022 plan? For example, does the 2026 plan require more new construction and land acquisition than the 2022 plan? Is there a greater emphasis on renovations and additions to school buildings?**

The prioritization criteria have remained generally consistent with prior iterations of the Statewide Strategic Plan. To summarize, the prioritization criteria factored into the Statewide Strategic Plan consists of:

- **Educational priorities**
  - Address overcrowding
  - Building age and condition
- **Logistical factors**
  - Prioritization of project review and validation based upon a combination of:
    - Overall severity of the educational priority needs
    - Effectiveness of project to address multiple needs (capacity and aged infrastructure)
    - Replacement and/or renovation of the over 100 extremely aged buildings in SDA Districts (100+ year old buildings)
- **Delivery capacity**
  - SDA staff
  - Consultant community
  - Construction community

## Discussion Points (Cont'd)

The SDA continues to utilize a design-build approach for the delivery of school construction projects. This approach assists in the avoidance of project delays, unforeseen conditions, and also results in change orders far below the industry average.

The majority of priority needs identified in the Statewide Strategic Plan would require additional land acquisition to advance into construction. The determination of new schools, additions, and renovations is part of a collaborative process with the school district once a school need is advanced as part of an approved capital plan.

3. During budget hearings in prior years, the authority stated that its available funding through FY 2029 would only allow for the completion of previously approved school facilities projects but that no resources existed for additional projects. In response to an FY 2026 OLS Discussion Point, the authority estimated that it would cost between \$6 billion and \$7 billion to address all the facilities needs in SDA (former Abbott) Districts that were identified in the 2022 Strategic Plan.

The “Educational Facilities Construction and Financing Act” requires the authority to establish a Statewide strategic plan to be used in prioritizing SDA district school facilities projects. The most recent version of the Statewide strategic plan was released in December 2025. The projects identified in this version of the Statewide strategic plan seek to address overcrowding in schools and serious facilities deficiencies.

- **Questions: Please provide an overview of the capacity needs and facilities deficiencies identified in the 2026 Statewide Strategic Plan. What is the most recent cost estimate for mitigating these needs and deficiencies?**

As reflected in the 2026 Statewide Strategic Plan, there is the need for over 10,000 new seats to address capacity deficiencies in 16 of the 31 SDA Districts. Additionally, there are over 100 facilities that require either replacement or major modernization work statewide.

Based upon the information provided in the DOE’s 2024 Educational Facilities Needs Assessment, there are 45 projects across 22 districts that have been prioritized for advancement should additional funding become available. These projects represent a mix of new construction and renovation work. Any cost estimates that are developed are based upon current market conditions with allocations included for contingency dollars and cost escalation. It is important to note that estimates will often be revised due to inflation, material shortages, and unique site related costs (including land acquisition, site preparation, and relocation). These factors play a major role in the cost but are difficult to define at the macro level due to variability from project to project. Additionally, the value will continue to increase as more facilities increase in age, additional needs are identified for prioritization in the Educational Facilities Needs Assessment, and student population growth continues in some of our already overcrowded districts.

As noted above, the prior Statewide Strategic Plan estimates were in the \$6 to \$7 billion range. Taking into account current market conditions and the increased facilities needs identified in the 2024 Educational Facilities Needs Assessment, the current order of magnitude to address the 2026 Statewide Strategic Plan facility needs now exceeds \$6 to \$7 billion.

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- **Is the authority developing a plan to secure funding for additional school facilities projects? What options has the authority evaluated and what strategy is the authority intending to propose and advance?**

The SDA Board of Directors, management, and staff remain committed to working with the Administration, the Legislature, and our stakeholders toward addressing the school facilities needs that exist statewide. Authority management has periodic conversations with stakeholders about the needs that exist and are available to work with identified parties to advance additional funding for the program.

- **How does the authority prioritize projects identified in the 2026 Statewide Strategic Plan and what factors does the authority consider? At what point does the authority determine to advance a project from the Statewide strategic plan to its capital plan?**

As prescribed in our enabling statute, projects are prioritized first by educational priority need and then based upon logistical factors impacting project advancement, the most important of which is availability of a site on which to construct a project. When funding becomes available, projects are selected from the Statewide Strategic Plan prioritization for advancement. The number and type of projects identified for advancement are based upon the amount of funding made available to the Authority.

- **Please discuss the school facilities needs in the SDA districts that are not identified in the 2026 Statewide Strategic Plan. What is the nature of these unaddressed needs and what are the most prominent school facilities issues faced by the SDA districts? Is the authority able to quantify the level of unaddressed needs in the SDA districts? If so, please provide that estimate, the authority's methodology for arriving at the estimate, and the extent to which certain SDA districts may have more acute outstanding facilities needs compared to other SDA districts.**

The SDA believes that the Statewide Strategic Plan does a satisfactory job at identifying the needs that exist across the 31 SDA Districts. It is driven by the DOE's Educational Facilities Needs Assessment. The entirety of the 2026 Statewide Strategic Plan represents unaddressed needs, as they have been identified as educational priorities in the Educational Facility Needs Assessment and there is no current funding available to advance work to address those needs.

4. The FY 2027 Governor's Budget recommends maintaining the \$50.0 million appropriation for SDA Capital Maintenance and Emergent Projects. The funding would be made available to offset SDA (former Abbott) district costs associated with emergent and capital maintenance projects and ensuring students have safe and healthy learning environments. In general, upon determining that an emergent condition exists in an SDA district, the Department of Education transmits the project details to the Schools Development Authority for remediation.

- **Questions: Is an annual appropriation of \$50.0 million sufficient to address emergent conditions in SDA school districts? As SDA school district facilities age and funding for new school facilities projects remains unavailable, has the authority seen an increased demand for emergent project funding? What is the backlog of emergent projects, if any, in the program pipeline? How many emergent projects await funding and what is the total projected cost of these projects? How much time elapses, on average, between the determination by the Department of Education that an emergent condition exists and**

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**the authority commencing the mitigation thereof? Is the waiting period growing? If available, please share the amount each school district may receive in FY 2027 out of the \$50.0 million SDA Capital Maintenance and Emergent Projects.**

It is possible that facility needs exist beyond those that can be addressed with the allocated funding available and proposed for Capital Maintenance and Emergent Grants in SDA Districts. However, this grant funding is helping districts make needed repairs to their facilities. The funding, made available since FY 2022, has allowed districts to address their most pressing facility conditions before they evolve to the level of an emergent project needed to address a potential health and safety issue.

The SDA anticipates the amount each school district would receive in FY 2027 for Capital Maintenance and Emergent Grant funding to be similar to the amounts received in FY 2026. The FY 2026 allocation chart is available here:

[https://www.njsda.gov/Content/Projects/FiscalYear/FY2026\\_District\\_Allocation\\_Table.pdf](https://www.njsda.gov/Content/Projects/FiscalYear/FY2026_District_Allocation_Table.pdf)

Currently, there are no outstanding emergent projects transmitted from the Department of Education to the SDA that remain in the pipeline or are awaiting funding.

- **Please discuss the most prevalent types of school facilities issues that rise to the level of constituting emergent conditions in the SDA districts. For the most recent five years, please detail the emergent projects that the authority has undertaken, including the school district for which each project was undertaken, a description of each project, and each project's costs. Please also include all active emergent projects.**

The most prevalent types of projects are those that address either water infiltration and resulting damage to building systems such as roofs, exterior masonry and windows, and heating, ventilation, and cooling systems. This type of work is intended to provide a safe, warm, and dry learning environment for our students.

## Discussion Points (Cont'd)

**Active and Completed Emergent Projects Undertaken 2021 – 2026**

County	District	Project Name	Project Scope	Project Phase	Total Estimated Project Cost (Millions)
Cumberland	Bridgeton	Bridgeton Senior H.S.	Roof Replacement & Masonry Repairs	Complete	\$ 7.99
Burlington	Burlington City	Samuel Smith E.S.	Windows Repair/Replacement Partial Roof Replacement	Complete	\$ 3.30
Burlington	Burlington City	Captain James Lawrence E.S.	Window & Flooring Replacement	Complete	\$ 0.30
Camden	Camden City	Veterans Memorial M.S.	Exterior Masonry, Windows, Roofing & Site Work	Complete	\$ 5.06
Camden	Camden City	Forest Hill E.S.	HVAC and Controls Replacement	Complete	\$ 0.56
Camden	Camden City	Forest Hill E.S.	Roof Replacement	Complete	\$ 0.94
Essex	East Orange	Fresh Start Academy	Building Envelope Repairs	Complete	\$ 3.13
Bergen	Garfield	Garfield H.S.	Boiler Replacement	Complete	\$ 0.38
Camden	Gloucester City	Gloucester City Jr. Sr. H.S.	Partial Roof Replacement	Complete	\$ 6.46
Hudson	Hoboken	Hoboken Middle School	Exterior Masonry	Design	\$ 4.20
Essex	Irvington	Grove Street E.S.	Boiler Replacement	Complete	\$ 3.52
Cumberland	Millville	Holly Heights E.S.	HVAC Repair/Replacement	Complete	\$ 5.50
Middlesex	New Brunswick	Pathways MS / P-Tech	HVAC Repair/Replacement	Complete	\$ 1.39
Essex	Newark	Branch Brook E.S.	Building Envelope Repairs	Complete	\$ 0.82
Essex	Newark	Cleveland E.S.	Boiler Room Vault Repairs	Complete	\$ 0.68
Essex	Newark	Harriet Tubman E.S.	Basement Water Infiltration	Complete	\$ 0.14
Essex	Newark	Ivy Hill	Boiler Room Vault Repairs	Complete	\$ 1.20
Essex	Newark	Malcolm X. Shabazz H.S.	Structural Repairs	Complete	\$ 2.13
Essex	Newark	Roberto Clemente E.S.	Sub-Basement Water Infiltration	Complete	\$ 1.14
Essex	Newark	Salome Urena (old 1st)	Exterior Masonry Repairs	Complete	\$ 0.22
Essex	Newark	Technology H.S.	Structural Vault Repairs and Façade Repairs	Complete	\$ 2.95
Essex	Newark	University H.S.	Building Envelope Repairs	Complete	\$ 1.62
Passaic	Paterson	Number 5 E.S.	Roof Replacement & Masonry Repairs	Complete	\$ 9.47
Union	Plainfield	Plainfield H.S.	Boiler Room Roof Repairs	Complete	\$ 0.59
Atlantic	Pleasantville	North Main Street E.S.	Boiler Replacement	Complete	\$ 2.22
Mercer	Trenton	Franklin E.S.	Exterior Structural Repairs	Complete	\$ 0.62
Hudson	Union City	Emerson MS	Roof, Masonry & Stucco Repairs	Complete	\$ 4.16
Hudson	Union City	Union Hill MS	Roof, Masonry, Stucco & Chimney Repairs	Complete	\$ 4.20

## Discussion Points (Cont'd)

5. The Governor proposes increasing State funding for the New Jersey Innovation Authority by \$13.3 million in FY 2027. According to the FY 2027 Budget-in-Brief, the recommended funding level would “support the Governor’s efforts to improve customer experience, reduce administrative burdens, and make government more responsive and accountable.” Among other programs, the Schools Development Authority uses project management technology to assist with the oversight and delivery of its projects.

- **Questions:** Please describe the current and past collaborations between the New Jersey Innovation Authority and the Schools Development Authority. What have been the objectives and outcomes of the joint projects? Please detail the associated impacts on the satisfaction of the authority’s service recipients and contractors, its performance metrics, as well as expenditures and revenues.

Though we have not yet worked directly with the newly codified New Jersey Innovation Authority, we look forward to the opportunity to collaborate on projects or initiatives that can help our agency modernize program and service delivery, save our staff time, decrease administrative burden, achieve cost savings, and increase New Jerseyans’ satisfaction with our services.

- **What additional collaborations is the authority planning or implementing with the New Jersey Innovation Authority? What are the objectives of the new initiatives and their anticipated impacts on authority revenues and expenditures? How are the new initiatives anticipated to improve the satisfaction of the authority’s service recipients and contractors, its system performance, and administrative efficacy? Please use any available metrics that will be used to assess the success or failure of the initiatives.**