

Charles McKenna CEO, NJ Schools Development Authority

Opening Remarks

Good morning. It is a pleasure to have the opportunity to be here alongside Commissioner Hesse to discuss the State's school construction program with you. I have been on the job for just over a year now, so I am much better positioned to answer any questions you may have. I can tell you that we are making a lot of progress. We are building schools on time, on budget and are receiving a certificate of occupancy – things that were not the norm at one time. The past 12 months have been marked by significant program activity. Here in Trenton, we recently issued a notice to proceed with the abatement and demolition of the Trenton Central High School and we are discussing design concepts with the District.

We opened two new schools - Long Branch Catrambone Elementary School and the New Brunswick Redshaw Elementary School. Construction work started on projects in Bridgeton, Paterson, Keansburg, Newark, Elizabeth, among others. In fact, we currently have 12 projects in active building construction across the state.

Of the 40 projects that have been approved as part of the SDA's Capital Portfolio since 2010 – three have been completed and more than half have already initiated construction or design/build contract activities.

With limited funding remaining, the SDA continues to think outside of the box when it comes to addressing facility needs. This was done with the high school in West New York, and we are working on doing something similar with the purchase of a parochial school in Paterson.

We are continuing our efforts to complete all site work prior to the start of a construction site to ensure we have a clean site. One example of this effort is the South Street Elementary School site in Newark. The effort to remediate this site was extraordinary. In fact, approximately 70,000 tons of replacement stone and backfill were placed and 10.7 million gallons of contaminated water was treated. In Garfield, we also demolished a building and completed site work so that the site can be the future home of a new James Madison Elementary School. This work is done to avoid project delays and ensure we have a clean site on which to build a new school.

The SDA continues to address emergent repairs in the State's 31 SDA Districts. Under the Christie Administration, the SDA has completed 56 managed emergent projects. We currently have four in construction and seven projects in design and one is under review. Local school districts are also working on another 36 projects that were previously delegated to them for management.

The ROD Grant program has also kicked into high gear. Our Grants staff has worked diligently to expedite the execution of hundreds of grants. In 2014, the SDA executed 866 grants representing a state investment of \$216.3 million and total estimated project costs of \$496 million.

The process and procedure improvements that were made at the SDA prior to my arrival are producing good results. The SDA's enhanced constructability review process is helping to avoid the large change orders that were the norm in the past. We are finding that construction is moving more efficiently and effectively following successful completion of the review.

The opening of the Redshaw School in New Brunswick this January demonstrated the first use of our design-build approach with the SDA's Kit-of-Parts and Materials and Systems Standards applied. We were happy with the outcome of this approach.

We are committed to increasing participation in the State school construction program – it benefits both SDA and New Jersey businesses. Our SBE statistics consistently show that we are meeting or exceeding the 25% goal. In fact in 2014, SBE participation reached 76 percent of SDA contract values. However, we always feel there is more that can be done to engage New Jersey's small, minority and women-owned businesses. That is why we continue to offer our SMWBE Contractor Training program, which is ongoing now.

As I have said before, while I don't think we have it all perfect, I do think that we are getting a lot right. We are making a difference and seeing positive results for the students of New Jersey. Thank you and I am happy to answer any questions you may have.