



NJDOE News

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DOE Releases FY2005 School Facilities Construction Program Report

The state Department of Education, in conjunction with the Schools Construction Corporation, today released the FY 2005 annual report to the Legislature on the school facilities construction program. The action fulfills DOE's reporting obligation under the Educational Facilities Construction and Financing Act (EFCFA) and complies with the New Jersey Supreme Court's December 19, 2005 decision in Abbott XIV.

Included in the report is an addendum prepared by the SCC providing cost estimates for school facilities projects that were identified in the districts' 2000-2005 Long Range Facilities Plans (LRFPs), which were approved by DOE and submitted to the SCC but which have been placed on hold indefinitely because of the lack of available funding.

The entire report is available on DOE's web site at <http://www.nj.gov/njded/facilities/ar/2005.pdf>.

"The school facilities construction program has faced significant challenges in the past year, but it is important to remember that this was one of the most ambitious public works projects ever undertaken in this state, and considerable progress has been made in New Jersey's effort to invest in our children's futures," said acting Commissioner of Education Lucille E. Davy.

As of January, 2006, the SCC has managed 587 school facilities projects, including 354 health and safety projects in Abbott districts and has provided funding grants in 798 facilities, including 59 Abbott facilities.

The backdrop for the cost estimates is the depletion of the funding originally authorized in 2000 by EFCFA. When that law was approved, the construction estimates were already too low because they were based on 1997 per-square-foot costs. Also, the estimates did not include costs for land acquisition and remediation, demolition, the relocation of homeowners, tenants and businesses, historic preservation, temporary classrooms and 'swing space' and the creation of an additional Abbott district.

SCC Chairman Barry L. Zubrow said that the cost estimates provided in the annual report addendum for completing projects not included in the SCC capital plan should be considered highly speculative and not representative of actual budget dollars.

"The work that the SCC did in developing these numbers is a solid response to the directive issued by the State Supreme Court, but it is important to remember that what you have here is a snapshot, taken over the past month, of a constantly evolving process," he said. "These are only projections made about project plans that, in many cases, didn't contain many specifics when they were submitted in 2000, may now be outdated and could not be built for several years."

Another factor contributing to the speculative nature of the cost estimates is the fact that they are based on LRFPs that are being replaced by updated LRFPs. All school districts were required to submit updated LRFPs in 2005, and these are still being reviewed by DOE.

"Once the updated LRFPs are approved, their composition and priorities could be considerably different from the documents submitted in 2000, resulting in very different cost estimates," Zubrow said. "In addition, given the potential statutory and programmatic changes that are being contemplated by the Governor's working group, it would be irresponsible to contend that these estimates represent the actual amount of money that will eventually be needed to build, renovate and repair schools in New Jersey."

In Executive Order 3, issued on February 7, Governor Corzine directed that a new process be established and implemented to ensure that the educational priorities identified in the Abbott decisions are realized. He also directed that the plan for construction projects in the districts' approved LRFPs should be limited to those facilities that can reasonably be accommodated over a five-year period.

The recently-formed working group has been charged with providing recommendations for addressing the management and financial operating problems at the SCC. These changes may require legislative revisions to EFCFA, and many should result in additional efficiencies in the construction process.

“We need to establish a process that is more collaborative and more transparent,” acting Commissioner Davy said. “We have to work with the districts, set real priorities and establish a process for what can realistically be accomplished.”

According to the report released today, in FY2005, 24 school facilities projects – 21 of them in Abbott districts – were constructed by the SCC and 393 projects were constructed by school districts. DOE’s Office of School Facilities (OSF) issued predevelopment approvals for 125 projects in Abbott districts and 22 projects in non-Abbott districts.

OSF also provided approval for 775 school facilities projects, ranging from non-educational projects such as the repair or replacement of roofs, windows and HVAC, electrical and plumbing systems, to educational projects such as new schools or additions to existing buildings. Most of those projects were in non-Abbott districts.

The number of school facilities projects actually built in any given year will vary from the number approved by OSF.

Non-Abbott districts must secure local funding for the project prior to construction, usually through a voter referendum. If the local funding is not secured, the district may cancel the project or redesign it. If the project is redesigned, the project must be presented for DOE approval again.

For SCC-managed projects, the bidding and construction process will frequently result in construction concluding in a later fiscal year than the one in which the project was given.

[Click here for the FY2005 Annual Report on the School Facilities Construction Program.](#)

[Click here for a summary sheet about the process by which the cost estimates were determined.](#)