

***New Jersey
State Commission of Investigation***



**June 2, 2021
Immediate Release**

**Contact: Kathy Riley, SCI
609-292-6767**

**CONSISTENT LEADERSHIP,
OVERSIGHT AND ACCOUNTIBILITY
LACKING AT SDA**

TRENTON – A lack of consistent leadership and meaningful oversight have diminished the ability of the New Jersey Schools Development Authority (SDA) to effectively manage public school construction projects, the land it owns and the operation of the Authority at-large, the State Commission of Investigation (SCI) found in a report released today.

The SCI identified several problem-plagued school construction projects managed by the SDA that left long-running legacy impacts for local districts and taxpayers. In addition, the wasteful and neglectful management of dozens of real estate properties, intended for schools that were never built, resulted in losses of tens of

millions of dollars and left some areas blighted. Further, its oversight of certain school construction practices, particularly the contractor evaluation process, lacked reliability, were not taken seriously and rarely resulted in consequences for underperforming firms.

“The findings made in this report concerning a history of uneven management, operation and fiscal stewardship by the SDA highlight and underscore the need for additional mechanisms for stronger oversight, accountability and transparency,” the SCI concluded. “Without further reform, the public cannot be confidently assured that the SDA can consistently and successfully serve as a capable and trustworthy custodian of public tax dollars and deliver high quality, professionally designed and constructed schools that enrich the academic learning environment for New Jersey public school students.”

The SCI’s findings also confirmed that the breakdowns in oversight that enabled former CEO Lizette Delgado-Polanco to engage in a series of questionable management decisions were not simply the isolated missteps of an inexperienced political appointee but were indicative of larger problems at the SDA. The events surrounding Delgado-Polanco’s brief tenure were detailed in an SCI report issued in September 2020.

If the SDA is to move forward as a standalone entity, the Commission concluded that significant reforms were needed to provide ongoing oversight and accountability of its activities. Primarily, the Commission recommended the appointment of an outside monitor to oversee the SDA’s fiscal, administrative and construction operations. A year after the effective date of the monitor’s appointment, a review should be undertaken to

determine whether the arrangement ought to continue, or if long-term oversight of the Authority would be better served through the appointment of an autonomous internal monitor – akin to an inspector general – from within the SDA itself, or through an outside entity specifically responsible for oversight of its activities.

The Commission also recommended updating the Authority’s operating statute to insert explicit and legally-defined guidelines for the CEO's selection, appointment, and employment. Along with requiring the candidate to possess certain professional qualifications, the SDA Board should take the lead in a search and vetting process of qualified individuals before nominating one or more candidates for consideration by the Governor.

Additionally, reforms should be implemented to bolster the Authority’s construction operations including a redesign of the contractor performance evaluation process to make certain assessments are conducted consistently, accurately and objectively. Further, the Commission recommended the creation of a panel of industry experts to undertake a review of the SDA’s construction operations to find ways for it to reduce expenses by eliminating wasteful practices, streamlining processes, and adopting cost-effective measures.



The State Commission of Investigation is an independent New Jersey watchdog agency established in 1968 to investigate organized crime and corruption, waste of tax money and other abuses of the public trust. Copies of public reports are available at the Commission’s offices or via its Web site at www.state.nj.us/sci.