
Committee Meeting

of

JOINT COMMITTEE ON THE PUBLIC SCHOOLS

SUBCOMMITTEE ON SCHOOL FACILITIES

“Testimony of Alfred T. McNeill, Chief Executive Officer of the Schools Construction Corporation for the New Jersey Economic Development Authority”

LOCATION: Committee Room 6
State House Annex
Trenton, New Jersey

DATE: October 29, 2002
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Martha W. Bark, Co-Chair
Assemblyman Craig A. Stanley, Co-Chair
Senator Ronald L. Rice
Assemblyman Patrick J. Diegnan Jr.
Assemblywoman Rose Marie Heck



ALSO PRESENT:

Melanie M. Schulz
*Executive Director,
Joint Committee on the Public Schools*

Lisa Logan
*Legislative Assistant
Senator Byron M. Baer*

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ASSEMBLYMAN CRAIG A. STANLEY (Co-Chair): I'd like to call the meeting to order. I'm Assemblyman Craig Stanley. I'm actually co-chairing the meeting with Senator Martha Bark. This is actually a meeting of the Subcommittee on School Facilities, which is a Subcommittee of the Joint Committee on the Public Schools.

We had arranged to meet together today to, actually, hear from the Chief Executive Officer of the Schools Construction Corporation for the New Jersey Economic Development Authority, Alfred T. McNeill, who is, in fact, the CEO.

As many of you recall, back in, I guess, the summer, the Governor created a new organization called the New Jersey Schools Construction Corporation. And, actually, he announced that Al McNeill, a former CEO and Chairman of Turner Construction, would serve as the Schools Construction Corporation CEO. He would be responsible for overseeing policy and implementation matters of the corporation, and would work with the Executive Director of EDA to ensure the effective coordination of school construction and economic development programs.

Many of you -- or some of you were at our previous hearing, which was called by the-- Actually, it was a meeting of the Assembly Education Committee -- along with the Senate Education Committee -- along with the Joint Committee on the Public Schools a couple of months ago, which dealt with a myriad of problems that we had seen with respect to school facilities.

As a matter of fact, yesterday, at a meeting that was coordinated by the Coalition of our Children's Schools, a nonprofit coalition of -- actually, a group of organizations throughout the state that have an interest in

community schools and school construction, I was somewhat disturbed, to put it lightly, that two-and-a-half years after the Supreme Court ordered shovels to be in the ground, which was the spring of 2000 -- was the deadline given the State-- I'm sure you're aware of that at this point. Of course, you weren't involved with this at the time. But for there to be a Supreme Court mandate for shovels to be in the ground in the spring of 2000, and for us to be in Trenton talking about how we go about making sure schools are built, is a travesty.

As a matter of fact, a couple of months ago, when Joyce Harley gave testimony, she called it, actually, criminal. And I empathize and, actually, agree that it is criminal. If the Supreme Court had ordered someone to do something two years ago or two-and-a-half years ago, and it had not been done, there would probably be some people held in contempt of court. They'd be locked up.

You, as a person in private enterprise-- I'm sure if you were given an order by the court to do something, and you had not done it, you would be held either in contempt of court, or you would be -- your corporation would be penalized very heavily. But here we are two-and-a-half years later. But I think a lot of that is stuff that has happened in the past.

But the reason I bring up a little bit about the past -- and, of course, we want to hear how you're going to solve all our problems. But the reason I bring up the past is because we cannot afford future delays. We want to do it. We want to do it right. But it's very important that we understand that we are already two-and-a-half years behind.

As a matter of fact, when somebody mentioned that you were coming on board, and they said you were going to start in August -- I think we were in July at the time -- I said, "Can he get here a couple weeks early," because it's just that urgent right now, Mr. McNeill. It is very urgent.

I'm going to ask-- Perhaps, maybe, Senator Bark might have a couple of opening remarks. And then, maybe, we can get on with the testimony of Mr. McNeill, and then all the members of the Committee would have a chance to ask questions and also offer any kind of remarks that they would like to offer.

Senator.

SENATOR MARTHA W. BARK (Co-Chair): Assemblyman, thank you very much. I do believe that you have covered everything pretty well. I'm not sure that we want to delay this process. I think we want to set a good example and go forward.

I am very much in sympathy with a lot of things that the Assemblyman has said. It is a travesty that we do not have these schools built, because probably with all the people in -- the students throughout the State of New Jersey, these are the people who need desperately to have good facilities.

So, with that, I would ask-- I'll turn it back over to you, Assemblyman.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Would any of the other Committee members care to make comments right now, or can we go directly to Mr. McNeill's testimony?

ASSEMBLYWOMAN HECK: I think we should go directly to the testimony.

ASSEMBLYMAN STANLEY: Mr. McNeill.

ALFRED T. McNEILL: Thank you.

I appreciate the opportunity to be here and, once again, hear, as I did from Governor McGreevey, the great urgency to get this program underway in a positive manner.

As I'm sure you know, I came on the scene here about 10 weeks ago, in the middle of August. I took on the role of the CEO of the newly formed -- actually not yet authorized -- New Jersey Schools Construction Corporation. That unit, which I head, became officially active as of October 1, which is only about three or four weeks ago.

The goal is clear. The mandate is clear. We need to improve the delivery process, the timing of the deliveries, and getting the kids behind the desks. It's that simple. It's the only interest I have.

As I've mentioned to a couple of you in this room -- and certainly the agreement I had with the Governor and his top aides when I came on board was -- I wanted to deal with this in a manner that is organized, straight forward, and not political.

We started a process where we spent the first several weeks involved with defining the mission. By that, I mean, I personally went out to many of the stakeholders: school districts, superintendents of schools, business managers of school districts, the folks here in the State, the various State agencies that have been involved, certainly including the Department of Education, the Attorney General, and several others -- met with the current project management firms to find out what their problems were with the process, the contractors, the BCA, the contractors' association, to find out their

problems. I met with the New Jersey chapter of the American Institute of Architects to find out their problems, and try to assemble all of this information so that I can ultimately define a problem. And once we can define it, we can solve it. And until we define it, there's no way you're going to solve this. There's no sense of screaming and hollering at one another.

Once that is done, it is now done -- we move to the next step, which is to create a plan, which is -- if you know Governor McGreevey, that's one of the things that's he's very high on -- is get a plan and then live the plan. And so we are in the process, and I'll describe some of the things that are in the plan. And it's in its early stages right now, but we're in the process of going through that plan and, at the same time, beginning to organize to achieve the task in a timely and effective way. Once that is done, which will be done by the end of this year, we'll be in a position to truly execute, in a professional and straightforward way, without wasting a lot of money, but achieving the goal.

Some initial observations coming out of the whole process of exploring with many people-- And by the way, that was all done in a totally nondefensive way. I just let them talk, and I listened. I came to three conclusions. There were three initial observations.

Observation number one is that the EDA, and now the School Construction Corporation, has a totally dysfunctional relationship with the school districts. They simply don't have the kind of professional relationship that you'd expect to have between the two units that are the most involved with doing something good for our kids.

The second observation is that we have a belt and suspenders process that's been put in place by the State, which has totally constipated the delivery process of this program. And with all due respect to your opening remarks, Mr. Chairman, about getting work done in 2000, this Act wasn't passed in the spring of 2000. So, you didn't have the ability to do it. But even, since then, two years is way too long to be where we are now. I agree with your assessment that it's got a long way to go.

But when this group was put together, basically, they were starting from zero, as I'm sure Ms. Franzini told you when she was here in July. When they started from zero, they basically had-- I don't know if you watched the football game last night. You know, occasionally, in football there's things called piling on. And that's when too many people jump on the pile -- not good things happen to the person at the bottom of the pile.

When this program was set up, every agency in the State put in its two cents. So, I've got-- I feel a little bit like Gulliver with Lilliputians. I'm all tied down on the beach with a lot of little people running around screaming at me. That's going to stop. It's going to stop, because we're going to cut all those little strings. And we're in the process of beginning to do it. We've already cut some, and we've got a long way to go, but we're going to be cutting-- Every time I can get to one of the agencies, and I've been meeting with them all-- We'll continue to cut them until we get a rational, straightforward, businesslike way of doing business. But that belt and suspenders process has been a big problem to what you've seen and the experience you've had.

The third thing, which is a huge problem, is the land acquisition, that is required for new schools, has simply not occurred. A few parcels of land have been purchased, but not enough by any means. We're in the process of expediting that. And I'll talk a little bit when I talk about the organization of how we're doing it and my personal role in doing that.

So, with those initial observations, let's move on to the sort of beginnings of the plan that we're putting in place. This plan is based on a few concepts. The main concept -- the first concept, the pillar, sort of, like the first commandment -- is a partnering approach -- a partnering approach in two different areas. A partnering approach with the school districts. I have met with probably half of the 30 Abbott districts at this point. They are not incompetent people. They're highly motivated professionals in almost every case.

What I want to do is, and what we are currently doing is, trying to write new protocols with the help of the Department of Education and some of the other groups, the Abbott Implementation Council and so forth, to start bringing the school districts to the table, bringing them into the predevelopment process, arranging to give them a grant for the things that they should be doing that they're probably better able to do than somebody from Trenton, and get that process moving. So we're certainly going to move down that path.

The second partnering that needs to be done is a partnering with the State agencies, specifically the Department of Education, the Attorney General's Office, the DCA, Treasury, and the Department of Labor. Those five agencies all have enormous influence on the delivery process of our schools.

Right now, there are repetitive, redundant approval processes in place. They have to be changed. I've met with some of these agencies already, and they've agreed to discuss further and work toward getting this on a much more accelerated, streamlined basis. So that's the first item of our concept that we build a plan on.

The second cultural change that we build a plan on -- and I've been talking to the staff at the School Construction Corporation, as well as each of the school districts as I've met with them on this issue -- is that the districts are our customers. They're our clients. They're the people we're trying to work for. They're not working for us. We're working for them. They are not impediments in our way. They're people we should be building a partnership with to make things happen. We want to become their advocate, not their adversary. And believe me, there will be nobody staying on the New Jersey School Construction Corporation's staff that sees it any other way. That's just as simple as it is.

And then, sort of, to put it into a third-- One of the things I found when I first came here, not only from the folks at the School Construction staff, who, by the way, I must say, are very, very good people, good professionals-- They care about what they're doing, but they're also very smart people. And they're smart enough to know every rule that you guys in the State and every regulation all the agencies have ever put out. And therefore, they come up with I-can't-do-it-because kinds of answers. And what we're going to do is change it to the Nike kind of answer, just do it. We're just going to find a way to do it. So that's the sort of concepts upon which what I'm now going to talk to you about, as a plan, are built upon.

I'd like to take the plan itself and talk about, sort of, short-term issues that are things we're going to be doing over the next several months and are doing now, by the way. I'm not using future tense only here. And there are basically 10 items that we're really working on. And then I'm going to talk a little bit about a little bit longer term issues on that.

The first obvious thing is to reduce the redundancies in this approval process that exist, what I mentioned a moment ago. Change things in the predevelopment process, not only to build in the school districts, which is important, but to do things on a task-order basis. Believe it or not, to go out and get a simple appraisal on a piece of land, right now, we go out independently every time, bid that. Sometimes it takes four to six months to get an appraiser on board. Most of you, if you were selling your house, would pick up the phone and have the person there tomorrow morning. That's absolutely insane. So I'm going to go to task-order contracts on that so we cut that timetable down dramatically.

Certainly, we need to develop a much more wholesome relationship with the Attorney General's Office, where they realize that we're not trying to waste the State's money. And when we hire an attorney, they don't have to read every letter the attorney writes. That's what the attorney gets paid to do. They're professionals. They know how to do it. By the way, we don't hire them. As you know, they hire them. So it's their attorney, and yet they still torture the poor people. We've got to get that taken care.

We've got to deal with a procurement process that is totally upside down and backwards. Believe it or not, if you were a contractor bidding a job for the State of New Jersey for schools, you would first put in your bid -- go to

all the trouble of bidding it, get yourself maybe to be the low bidder, and then, guess what -- then you go through a prequalification process. Somebody tells you you're not qualified. In the mean time, you've wasted all your time and tied up your bonding capacity for weeks and weeks, and often months. For what? To be tortured by some State regulators. We're not going to do that. We've already changed that process. We're doing the prequalification before the bid. It's fairly obvious. It's not something that-- I've got an eight-year-old daughter. She could have figured that out. It's, sort of, the kind of thing we're talking about. So we're moving on that basis.

We're probably going to approach the various agencies to put on our own prequalification process. Right now, if you're a regular contractor in the State, you go through three different processes. You fill out about 15 to 18 forms -- there are pages of forms, there's three different forms -- just to get qualified to be a bidder. And by the way, if you happen to be a minority contractor, just to make your life a little more miserable, we go to the fourth. We have to go to the Department of Commerce over here and get another one.

We've got to change that. We've got to get that so people can want to bid our jobs, because guess what-- If we go anywhere near what this plan is going to, ultimately, tell us we're going to do, we won't have any contractors. We'll have to go out-of-state to get them, because we'll have blocked them all from being able to bid.

That's it. Those things are relatively definable, and it's just a question of getting to it. And we'll have that done, I believe, within the next two or three months.

We have to eliminate the linear approach. What do I mean by that? Believe it or not, we wait until the property's totally acquired before we engage the designer. Then we engage the designer, and he designs it. And then we go to bid the contractor. He bids it. And they're all like -- activities are all like cars on a train you see going down the track.

When you're in Irvington, Mr. Chairman, we've got exactly that situation right now. We've got a building we're about to acquire. I looked up and said, "Where's the design?" "I haven't acquired it yet." We're going to go out now for the acquisition of the designer. We wasted a year, literally wasted one year, to do that. So, obviously, we have to get rid of that linear approach.

We need to coordinate the work flow, and that means right now. What I've found is the acquisition, the design, and the construction groups are somewhat out of sync over there. That's a very easy in-house thing to fix, and we're already working on fixing that. That's almost done. We're reorganizing the way we're doing business over there, and reorganizing that staff, and I'll talk about that in a second.

We're changing the flow chart, and I've shared this with people at DOE and the people at the Attorney General's Office, to acquire a piece of property. Right now, if you took a standard acquisition flow, the way it's currently being done, and assuming there's no bad problems -- just assume that things are going relatively normal -- it's a 26-month process if you plot it all out. I plotted it out personally. Obviously, that should be 12 or less. So we're working on that.

I've developed a flow chart. I've given it to my associates at the other agencies, and we're working to get that done. They seem very willing to cooperate on it, both from the AG's point of view and from the Department of Education's point of view.

We've got to do something really dramatic with our MBE-WBE Minority Workforce Program. I was speaking to Secretary Watley yesterday over at Commerce. We agreed that one of the things we were going to do is bring on board a marketing group, or maybe a couple of them, depending on where you are in the State, who are familiar with the various communities, particularly the African-American community, to go out there and start to solicit so we get more interest from that community from what we have. I don't blame them for not coming to the table right now. Would you come to the table if you had another opportunity to make money and do your work, as a masonry contractor or whatever, if you had to go out and fill out 25 to 30 forms, perhaps go to two or three meetings before you're even qualified to bid? I don't think so. If you had another farm to field -- another field to farm, you'd go farm it. And that's, kind of, what we're getting. So we need to change that. And I think we've gone a step in the right direction to do that.

We're going to improve our Website so people can actually tell where the MBE/WBE contractors are. And this may be a surprise to you -- it was to me -- it was very difficult to find that in the State of New Jersey. If you really want to go out and look for who are they, you go over to Commerce, you go to ours, you're not going to find them. They're not very easy to find. We're going to find a way to fix that.

We need to have better monitoring of what's going on. I found some real holes in what we're doing. We've talked with Dan Kirton, who leads our affirmative action group over there, and he's on track to fix that.

We need to, probably, talk to Treasury about us, once we get the process fixed, taking over the enforcement. It's a little bit-- I don't like the enforcement to be that distant from what we're doing. I want to be the person who says, "Hey, this is wrong. Fix it." Right now, Treasury is the agency that oversees all that.

We are in a process of implementing some contract or training programs, but they've got to be devised slightly differently so, when people come out of the program, there's something for them to do, not just pat them on the back and say, "Nice job, pal," and let them go back and not have a job. What we're looking for is getting people on the jobs.

One of the things that Secretary Watley and I talked about yesterday was developing, sort of, an H and R Block office, if you will, at each of the several major cities where a person could go and, if we have to have all of these forms filled out, have somebody do it for them. The capacity exists at some of our local universities, NJIT and places like that, but we haven't used them. We're going to link that together so people can go in and have it easier for them to become players.

And I saw-- I was kind of excited yesterday. This shows you you can do things quickly if you want to. About two weeks ago, I came back from a meeting with the Hispanic Council. Somebody came up with what I thought was a pretty neat idea. He said, "We come on your Website to try to figure out how we could get to be qualified contractors, but a lot of us aren't real

good with English. We're pretty good with Spanish. Could you have the site translated so we can hit a button and go to Español?" And guess what? I saw the first version of it yesterday. Before Christmas, we'll have that live. We're trying to be forthcoming in those kinds of things. I'm quite sure by year-end that will be done. And we're also starting down a path to do it in the Portuguese language, as well. So we'll have the State kind of covered in that area.

ASSEMBLYMAN STANLEY: You made a reference to an H and R Block approach -- putting these facilities in different areas.

MR. McNEILL: Oh, I'm sorry. That's probably a confusing--

ASSEMBLYMAN STANLEY: Can you just expand on what the purpose of those offices--

MR. McNEILL: If you go to get your income tax submitted at the end of the year-- Typically, most of us don't like to fill out all of those forms. We're very confused by them. I've seen Ph.D.s have difficulties with them. Poor contractors, where you or I came from, maybe have big difficulties with them. I know I personally have a tax guy do my taxes.

But why not have an office that's available in Newark and Paterson and Jersey City, or wherever -- we'll pick proper places -- that the marketing people can let the community know, "There they are. They'll fill the form out for you. Free for nothing, to you." Now, I'll have to pay some fees for it, I'm sure. "Go in, they'll do it. You can get on the list. You can be registered." That's what I meant. Just like H and R Block has these offices all over the place, these store fronts. Same idea.

ASSEMBLYMAN STANLEY: Very good.

MR. McNEILL: I'm sorry.

ASSEMBLYMAN STANLEY: Very good idea.

MR. McNEILL: The issue of getting the districts into predevelopment-- I'm into conversation right now with-- I've had conversations recently -- let's put it that way -- with three districts about picking specific things to work with them on that. Predevelopment is, sort of, the first step to do it. One of them is Newark, one of them is Perth Amboy, and one of them is Gloucester City. Those three -- I think we're going to try the process to say, "Okay. They all say they could do it. We think they could do it. All we have to do is give them a grant and agree on what we're going to do." Literally, in the first one, which is Gloucester City, we're going to have a meeting -- I think it's either next week or the week after -- which -- come in as a part-- There's a list of about 18 items that have to be done. We're going to say, "Okay, that one the State's better off doing. This one Gloucester City is better off doing." Boom, boom, boom -- go down, assign the work, and get it done.

Now, the health and safety, which I consider a short-term issue -- we expect to have it all complete by the end of 2003. A lot of it isn't even awarded yet. There's been-- And I saw something -- I read the proceedings from your previous meeting about -- a comment about having 90 percent of it done by the end of the year. If the Governor meant 90 percent of what was on the book the day he made the statement, that will be done. Obviously, he's not going to have 90 percent of it done. Heck, we don't even have 90 percent of it awarded yet. That's going to be happening during the course of this year and finishing during 2003. A lot of it -- because the school districts prefer us

to do work in the summer of 2003 than while the kids are in school. That's fairly obvious.

We need to develop a protocol. And this, again, is a short-term issue. We're working on it now. We've been working on it, specifically, up in Newark to try to -- and also in Neptune, by the way -- to find a way to deal with the community-oriented features that are being put into a school. And by that, I mean -- as an example, suppose we were to put in a health clinic in the school. The school district comes up with the idea. I can't fund the health clinic. But, certainly, when I'm doing the whole design, I can tell the designer to build -- design the space for the health clinic, so you don't have something that looks like an ugly appendage on the building somewhere later on, and get that done for them under the Act. I think that's a reasonable thing to do. And I think when you talk -- the Act has a term -- that the Act's intended to be liberally interpreted. I think those kinds of things, which are very small dollars, but very effectively spent dollars, are well worth doing. But I want to write a protocol for that so everybody is in agreement of how we're doing it. And I've had discussions with Newark. And we've got a woman in our shop, who does this kind of thing, working on it right now.

And the last thing is, which is also underway in a joint effort between the Department of Education, the Abbott Implementation councils, and ourselves, is to come up with a protocol and some standards for the facilities for early childhood centers. We don't have standards, literally, today, so we've got to get those finalized. And that effort's well down the road.

So those are, sort of, short-term things. As far as the longer term issues are concerned, and this would be, sort of, working our way through the

balance of the program to get all the schools that are contemplated under the Abbott program and dealt with-- Certainly, we need to develop a program where we're working at or above a billion dollars a year of school facilities being awarded and being built. So we're paying a billion and awarding a billion and rolling it out until we get through the entire program. That would mean that we're approximately going to be involved with, give or take, 50 schools a year -- a few additions and so forth on top of that, but 50 or so new schools a year, which means one a week. We're nowhere near that pace right now, but that's what we've got to do if we're going to have this program anywhere near reasonably successful.

The second longer term issue to deal with-- We need to deal with the issue of community providers. There's a real tug-of-war going on. This may not even be my issue to deal with, but it's got to be dealt with one way or the other. There's a tug-of-war going on between the districts, the community providers who provide early childhood services, the DOE, and the Abbot Implementation Council, and all these other people who have interest as to how are we going to do that, and how are they going to do their thing, or are they going to do their thing, and if they do, how do we support them. That's all up in the air right now. So, if you don't see a lot of community provider stuff going on, that's the reason.

The other thing that has to be dealt with-- The Act provides for six demonstration projects. We have zero demonstration projects underway right now. As you said, Mr. Chairman, this program has been underway for two-and-a-half years, approximately. So that's not a very good record. And if you read the Act specifically, it says that the six have to be started within a

three-year period. So we're kind of running out of time. So that's something we have to deal with and figure out how to do.

We need to set up some construction standards that would be the minimum acceptable standards from a construction and design point of view. We have minimum standards from a DOE educational point of view, but you really don't have them. Is a corridor in a school effective if it has vinyl tile on the floor, a carpet on the floor, terrazzo on the floor? Those questions, I will tell you, you can't answer them right now. We've got to answer them. So, we'll get to that.

SENATOR RICE: Excuse me. That's kind of the area that I was talking to you about before, with the locks and all that stuff.

MR. McNEILL: Yes, absolutely.

SENATOR RICE: That's one of the reasons for the process.

MR. McNEILL: Absolutely, Senator. Yes, sir.

One of the things that would probably make some of things that we're doing here quite effective, if we had the proper standards, is to go to a design-build delivery system. A lot of people in the State have talked to me about it. It's something I'm quite familiar with. I've done it in schools in my past life, quite successfully.

ASSEMBLYMAN STANLEY: What is that? Design-- Can you repeat that?

MR. McNEILL: I'm sorry?

ASSEMBLYMAN STANLEY: What is the system you're--

SENATOR RICE: The design-build delivery system.

MR. McNEILL: Design-build, yes, where you wind up giving one contract to a firm to do both the design process and the build process. It's a much quicker way to do it. It's normally much more cost-effective. And, quite often, if you have the right firms, you'll find you get closer to what the Governor's put in his most recent executive order, about schools and wanting to create our corporation to get the schools for the 21st century.

ASSEMBLYMAN STANLEY: How are we doing them now? We have somebody doing the design phase, and then--

MR. McNEILL: Right now, what you do is, you award a design contract, number one. The designer does his thing. You go out, once you get completed drawings, and you're ready for a DCA permit. You go out, and you bid the job to contractors. They put in their bids. Then we go through a process to award it. Then they get a notice to proceed, and they go build the school.

That's the process you're currently going on. It's a process that, certainly, the industry is familiar with. It may not be the only process we should use. I'm not saying abandon it, I'm just saying to look at other alternatives. And I think we might have some fun with that.

ASSEMBLYMAN STANLEY: Design-build would probably be a quicker process.

MR. McNEILL: Absolutely. Much quicker.

SENATOR RICE: Because design-build, if I'm correct--

I'm the contractor -- developer. I'm going to propose-- It's like building houses. I've got my architect; I've got my engineers; I've got my team. This is my proposal. I'm building to, basically, State specs.

MR. McNEILL: Correct.

SENATOR RICE: But I'm coming up with -- within reasonable numbers in that bid -- to think-- What's happening now is that -- and this is a concern a lot of the architects had, too, and engineers. They're not involved in the process. Their name's at the State. The State will say, "Well, this architect is doing this. This one is doing this." And they come back, and it's other people do other things and no communication. Even if you go into Irvington system-- There are architects, whether they're good or bad, that work in that system for years. So the one thing they know is the system. If you give them specs -- give them an opportunity to work with what they know, it's a lot easier without having to say, "Well, we need an architect, so we're sending up Ron Rice, he's one" -- because the system doesn't approve anybody anymore. The State's approving everybody, and that's where the problem has been occurring. And I think that's probably late. So I'm glad to hear that, because we don't have to abandon things -- as indicated -- just have to be an option -- at least give them more than one-- I mean, it's like going shopping. "I like this one for this." But that's what you're talking about, having that whole team in place.

MR. McNEILL: Exactly, Senator.

I had a group in my office the other day just, sort of, exploring this possibility. I've just got to give you an example of that without naming any names. They're currently doing elementary schools for the city of Detroit, Michigan. They did four or five schools -- brought on board, with no drawings or nothing, approximately October 1 of 2001. And they had four or five -- either four or five schools completed September of 2003 -- design,

construction, the desks there, kids at the desks. That's pretty nice. And that's a heck of a lot different story from what we're having here in New Jersey.

Plus, when you look at the school -- and I did look at some of the details -- they had features in it, like a raised floor system throughout, so that you could be totally flexible about what you do. If, 20 years from now, we come up with different ways to put in fiber-optic cables and get the computers at all the kids -- you could do it. All you have to do is lift the floor, put them in there, and it's very easy to do -- no big renovation project every time you do it. So it's flexible. It's sort of the 21st century type school -- very impressive -- not the only ones in the world that do this kind of thing. But, I must say, we'd be foolish here at the State of New Jersey not to explore these kinds of options.

So that's just something to think about.

SENATOR RICE: Yes.

Mr. Chairman, just a question.

I think it's also important to note that we save money and time. See, what's happening now is I don't know you as an architect. I've got to argue the case, the ones I get from you, and, as a contractor, I don't know you. We may click. We may not click. But believe it or not, you're controlling my life. You're the architect.

MR. McNEILL: That's absolutely correct, Senator.

SENATOR RICE: (indiscernible) build nothing. You're wrong, but you're controlling my life. And the whole system gets shut down either with litigation or folks going back and forth to the State agencies trying to get intervention. And if the State agencies start to intervene -- they don't start something else -- they should be moving the district forward someplace else.

So I just want to, kind of, indicate some of the benefits of that design on the process.

MR. McNEILL: You're absolutely right. And we'd have to develop a good procurement process so the State's comfortable with the way it gets done. That's doable, certainly. It has been done many times.

Other issues that we need to deal with are to figure out how, under our current procurement regulations, we can help the school districts get certain things that, arguably, are sole-source proprietary procurements.

What do I mean by that? If you're a school district with -- and I was talking to one not that long ago with a half a dozen schools in an Abbott district. And all their security system is controlled by a certain type of security, certain type of keys and alarm systems that all come back to the superintendent's desk, ultimately. Literally, that man could go to any school with one pass key and get into every school if he needs to. It's good for security, good for emergencies.

Well, how do you do that under the way we're procuring things today, because it's not our call. So, we have to find ways to do this. This is relatively easy to solve, and we'll solve it.

One of the other things we have to look at very carefully-- As you know, it's not just the Abbott districts that we're doing the work for. We are also doing the work for the so-called over 55 percent districts. And in those districts, as opposed to providing 100 percent of the funding, we're providing some percentage, depending on what the State's aid to that school district is. It might be 70 percent. It might be 80 percent or whatever. But they have to come up, before we can build a facility, with the rest of the money. So we may

have to find ways to develop marketing approaches that will help them get their bond issues passed in those-- And that's something that, sort of, hasn't been thought about. But we think about the long-term total plan that we're dealing with. Obviously, it has to be dealt with. So that's another issue that we've got to look at.

We've certainly, also, had to look carefully -- and I'm already in the process of doing that, working with information we're getting from the long-range facility plans at the Department of Education -- at our overall budget for this program. There is not an endless supply of money here, just like there isn't an endless time supply. And everybody is focused on how slow it's starting. But we also have to make sure that we've got enough to cover the expenses of the program. And, hopefully, we'll have an answer on that within the next six months. That's a fairly complex-- It sounds like it should be simple. Believe me, when you start getting into the data, it is not simple. It is very complicated. I don't want to give anybody numbers that are wrong.

And the third thing, in the longer term, is we owe you in the Legislature a recommendation -- hopefully put together jointly with the Department of Education, but certainly will come from us -- as to encouraging certain appropriate legislative changes, at some point, that you might want to consider with this Act, to make it more effective. We are nowhere near ready to do that yet, but that is something in the longer term that we certainly want to look at.

I mentioned earlier that we changed our organization. We are, in fact, doing that now. We've changed the organization. And as I look at it, we're probably going to, actually, approximately double that organization right

now. What you've had is way too few hands working the field to get the crop harvested. I mean, it just doesn't make sense. I've gone through and done efficiency studies of how many programs and projects one project manager can do, how many acquisitions one acquisition officer can deal with, and so forth. If you look at it by any measure, we're way understaffed.

We've got two ways to deal with that. One, hire outside professionals to help us. And two is to put some more people on our staff. We'll probably do some mixture of both. But, in any event, that staff is going to increase from the current staff level of about 70, that's there today, to at least double that, and perhaps even more, depending how we mix the program.

SENATOR RICE: Mr. Chairman.

MR. McNEILL: Yes, go ahead. I'm sorry.

ASSEMBLYMAN STANLEY: Yes.

SENATOR RICE: Let me give you an encouraging word. Try to do all you can to hire folks -- me and privatization don't fit. And I know when you start hiring people, it becomes political again. These international types -- needs to be -- I can use their names. I know the actors. I've had problems in Newark with them. They do other projects -- while others they don't. And we don't need to have districts with the wrong people (indiscernible). You know, I've said, "If you're going to use a combination of both," let me be the first to go on the record -- is that the 28th legislative district, which myself and Assemblymen Stanley and Tucker represent, which includes Newark and Irvington -- "Give us the State people. I don't want to see any private folks in there. I've been through enough of that with housing stuff." Believe me--

You don't have to respond to that, but I just want to give you that. I know private folks to be private--

MR. McNEILL: Your preference is my preference, as well. It's much easier to make somebody do something for you when you're giving them the paycheck, then it is somebody that you've got some agreement with.

And we'll try to do-- That's good advice, and I certainly accept it.

What we're going to do right now is to break the -- and have done -- this has already been announced to the folks over there -- break the organization into five regions. And the reason for this is, I want to get closer to the customer base. I want to get closer to the districts.

We're going to create five regions with regional managers, who will report back to myself and three managing directors, who will handle everything that goes on in the activities of the organization.

SENATOR RICE: Excuse me. How many regions do we have now?

MR. McNEILL: Well, we've got a very loose situation with, sort of, a north and a south, with two guys running all around. There's simply too much for them to do. They can't accomplish it all.

SENATOR RICE: When we say region now, we're talking about -- we're speaking in reference to-- Parsons, for example, is in the northern-- In other words, Newark comes under some relationship with Parsons.

MR. McNEILL: Parsons is the project management firm in charge of Newark. That's correct.

SENATOR RICE: But it's some other cities, also. Is that correct?

MR. McNEILL: I'm sorry.

SENATOR RICE: There are other cities under Parsons, as well?

MR. McNEILL: There are a couple other cities under Parsons.

SENATOR RICE: So, that's what you call a-- Is that a regional entity?

MR. McNEILL: Well, let me be precise. What I'm talking about is putting a regional manager, who is an employee of the New Jersey School Construction Corporation--

SENATOR RICE: Okay.

MR. McNEILL: --in an office in Newark that would have, reporting to him, the people who are involved with Newark, which is Parsons; the people who are involved with Elizabeth, who are Bolis (phonetic spelling); the people who are involved with Orange, which is a PMF firm we're just about to bring on board -- it's a company called Don Todd. So that would be the group that would report to him. He'd be there where he could get close to those school districts, close to the political people who run the towns. So we're not down here in Trenton. We're not those people down in Trenton -- I won't abuse the adjective -- but those Trenton people.

SENATOR RICE: Kind of an oversight. That doesn't mean we're going to eliminate the folks. See, my concern is that I don't know the rest of the state, but I do know that what has occurred from day one has been problematic to some reasonable degree. And I'm talking about EDA, who I think has done a great job with what you had to work with -- other entities, as well as some of the folks, such as the Parsons group, etc. I don't believe we need to eliminate folks. I believe we need to do what you're doing and tighten up.

For example-- And the reason I said that is because -- can't speak of the rest of the state. Parsons has developed a relationship and understanding of the politics, the community, the school system, the needs, good concepts. And to go back two years to start over would be detrimental, I think, at least with the district I represent, from what I've seen, which tells me that could very well, if they've got the right people in place throughout the other state, be detrimental to those districts as well.

In terms of pulling everything in a line, where there's a lot more accountability and structure, as you find here, I think that's a great idea -- same five regions and have the people -- someone that's going to be working with the Parsons there, as well as in other areas.

ASSEMBLYWOMAN HECK: May I ask for that to be clarified? When you say the five regions, you're saying north, east, south, west, central. Is that what you're thinking of?

MR. McNEILL: Basically, it's going to be what I'll call, loosely, the Newark region. But that includes Elizabeth, the Oranges. That's one--

ASSEMBLYWOMAN HECK: Can you give us a breakdown of your anticipated regions so we can become aware of the breakdown?

MR. McNEILL: Absolutely. The other one would be--

ASSEMBLYWOMAN HECK: And then you would hire someone to be your representative as regional director and manager?

MR. McNEILL: Correct. We're going to use the two fellows who are currently doing the north and the south -- will be two of those. And we'll bring three more on board. That's exactly what we're doing.

ASSEMBLYWOMAN HECK: Who are those two fellows?

MR. McNEILL: The two people who are doing it right now are--
ASSEMBLYWOMAN HECK: They're your employees?

MR. McNEILL: Yes, a fellow by the name of Mike Rafat, and another fellow by the name of John Sullivan.

ASSEMBLYWOMAN HECK: You spoke of the Attorney General's Office looking at your land acquisition pieces. Knowing the complexity of the AG's Office, and through DOT and the amount of time it took to acquire land for light rail, let's say-- It's horrendous, because they stop everyone from working until the AG's Office is good and ready to look at that particular project. You are dealing with a maze of time-consuming people who are never ready in a timely manner that you're used to. So I wish you luck.

MR. McNEILL: I appreciate that, and I'll take all the wishes of luck I can get. You're absolutely-- I've had a couple of encounters already, and I can appreciate what you're saying.

SENATOR RICE: But it's our function just -- excuse me, Mr. Chairman-- As Chair of the overall Joint Committee, the real oversight (indiscernible) not those other committees. They do legislation. It's going to be our hope -- collective function is to make certain that the things make sense -- is in the best interest of these school districts -- that we help Mr. McNeill and that corporation get through that maze. If that means calling the Attorney General in and all those other folks to explain our concerns and work with them, as well, to make that process function, that's going to be our role.

We're going to stand behind you, because the Assemblywoman is correct. We've had our experiences with land assemblage, especially midtown direct and rail stuff. We've been going through that now. We know that.

But that's why I think you were right when you say you need more local participation, because we don't need the State to tell us how to assemble land. We do it every day. We know where the land is. What we do need the State to do is get out of the way of the approval process, which I heard you elude to earlier -- that there was too much oversight. And you are working with them. But we're going to stand behind you in our majority.

MR. McNEILL: Thank you very much. I appreciate that.

Just, sort of, the way these-- I'll give you a list of the -- so you'll know -- rather than recite them now. But what the local office would look like, let's say in Newark or Jersey City, would be basically a manager, who would be a general manager for all of our activities, working with the PMFs or working with the staff that's there. They'd have acquisition staff there. Right now, believe it or not, we're acquiring all the land from people sitting here in Trenton. So, if you want to acquire a piece of land in Philipsburg, as I just signed the contract for yesterday, it's back and forth to Philipsburg. It's that kind of stuff. It's kind of hard to believe.

But we'd also put in there an affirmative action officer in each of these areas to get that closer to the local community, put in a safety officer so we're sure the workforce that's going on is in a safe environment, and get them right there where they're close to the work.

And one of the things I've talked to a couple of the State agencies about, and they're very enthusiastic about doing it, is bringing some of the folks who are involved in the day-to-day activities of overseeing the approval process on the projects, both from the Department of Education, and also from the DCA, who gives -- issues permits and does the inspections in those offices,

so that we would get -- they wouldn't be working for me. They'd still be working for whoever they worked for. But they would be in those offices that are nearby where we want to go. And I've gotten good response from that concept from them.

So, that's kind of where we're looking for in a plan -- just, sort of, an update -- two-minute update of where we are with our current activities. We've issued commitments out for about \$3.3 billion in the Abbotts, in the over 55 districts. About \$1.75 billion of that is for new construction. When I'm saying commitment, I'm saying that's a commitment we're putting out to do the job. We're a long way from getting most of them done, but that commitment's made to do it. As far as the-- And I've got a breakdown by health and safety and child--

And for the grants, the under 55 percent districts, this is the "suburban districts" in general, we've got about a billion dollars of those grants offered, of which the districts have accepted \$770 million. And of that, about \$200 million has actually been dispersed.

The total expenditures, to date, for the program are in a range of \$500 million. This is basically grants to the districts I just described, plus the health and safety work, and a minimum amount of new construction, mostly early childhood centers.

Over the next six months, we've got, in the focus right now, 18 school properties to be acquired that we believe will be acquired. And if you put that 18 months -- 18 properties rather, over 26 weeks, you say you're not on your pace, right -- we're not there. So we've got to improve that pace, and we're intent on doing that.

We've got, over the next six months, 20 new school projects that are going to get what are called NTPs, or notices to proceed, that will be bid and awarded over that period of time. And of those 20 projects, 14 of them are new schools. We have--

ASSEMBLYMAN STANLEY: Are those all Abbott?

MR. McNEILL: Yes. We did have-- I just had the pleasure of being at a groundbreaking on a couple of Abbott schools last week, which is Union City and West New York. These are both middle schools. One is, I think, \$24 million, and the other \$29 million. So, we're starting to get a little bit going with the program. Certain machines starting to try to warm up and run.

Our affirmative action, to date, on our construction is the MBEs, to date, represent \$57 million, or about 14 percent of what's been actually awarded. And WBEs: \$25 million, or about 6 percent.

We have just-- Our board has just agreed to the awards for the project management firms for the balance of the State. They're in the board minutes that were just sent over here to the Governor for signature. Assuming that he signs them, those 10 awards will be made approximately eight or ten days from now, officially. And those firms can now start to work, including the one here in Trenton. When I met with Dr. Lytle, he's almost sort of salivating, waiting for that PMF to come on board. So he'll be very happy when this happens.

So, with that, that's my remarks. I hope you've had a reasonable update of what we're looking at, what we've seen, and where we think we're going. And I certainly welcome any questions you may have.

ASSEMBLYMAN STANLEY: Thank you, Mr. McNeill.

I'll recognize you in one second.

There were just a couple of questions regarding some of the issues that you spoke about with respect to setting up new protocols, partnering with school districts. How far along are we on that? What is our timetable with respect to that?

And I just want to also mention, in the spring of 2000 -- a Supreme Court mandate -- and I don't put it totally on EDA or on the administration. I think the administration -- the Legislature dragged their feet after the Supreme Court mandate, and that's why we're here. It's not totally the administration's fault. It was the administration and the Legislature at the time.

MR. McNEILL: The answer to your question is, we're quite far along with this protocol. And I would expect this to be in place and finalized within the next 30 days.

ASSEMBLYMAN STANLEY: And the same with some of the coordination. I think Assemblywoman Heck brought up a very good point in terms of trying to get these distinct entities, and almost fight them sometimes, all under one roof, working in a coordinated manner. I know there are some protocols that we need to set up with respect to how DCA and the AG's Office and your office are all interacting. And that's really going to be the-- I think that's going to be one of the key issues with respect to you being able to do your job.

ASSEMBLYWOMAN HECK: It's major. I believe that's major.

ASSEMBLYMAN STANLEY: Oh, no question about it.

MR. McNEILL: You're not going to hear me argue about it. I agree with you 100 percent.

ASSEMBLYMAN STANLEY: How are we with respect to that? Are you receiving help from the Governor's Office directly on that issue?

MR. McNEILL: Let me answer that -- direct that -- not ask for help from the Governor's Office yet. I have not had anybody say no to me yet. I'm waiting, I'm sure it will happen. And when it does-- Right now, the exchanges with the AG's people, basically, are as follows. "I want to do this." They say, "Well, we don't think we should do it." I said, "Is it in the Act, or is it against the law?" If they say no, I say I'm doing it. That's sort of the way it's going. So we're having those kinds of dialogues without making-- I mean, obviously, it takes longer than I just did in that 15 seconds. But that's the process. Now, there are times when they say to me, "Yes, it is, and you can't do it." I say, "Okay, I'll find another way," and that's the end of that.

But what I'm trying to make sure of is that the Attorney General's Office, just because they're concerned that they don't ever want to have the potential of the possibility of a suit-- It's the United States of America; anybody can sue anybody. So that's kind of a tough thing to deal with. But that's really where they're coming from. They want to be so isolated with belts and suspenders and armor. And, frankly, I'll never get this program going if I take that approach.

ASSEMBLYWOMAN HECK: Mr. Chairman, may I respectfully suggest that the Committee or the heads of the Joint Committee meet with the Governor's Office in order to expedite Mr. McNeill's suggestions that, perhaps, certain people be appointed, even if we have to do it legislatively, to expedite

their mission, so to speak, because I believe he's going to need the tools to get the job done. We just can't have it on paper and nothing moves.

ASSEMBLYMAN STANLEY: I agree that we need to be very vigilant in our involvement. I don't believe that this Committee would meet with the Governor's Office. I think that members of the Committee should certainly make clear what our desires are and what our intentions are. And, if need be, we can -- the Legislature is a separate branch, a separate arm of government. We can always enact legislation or at least pass legislation -- create legislation that would facilitate Mr. McNeill's mission. However, I don't think that that would necessarily be in order.

But one of the reasons that we are having these hearings is that we, as a body, need to be engaged with the process, need to make sure that it's moving along. If it's not moving along, then we need to move it along the way the Legislature, and the way the constitution allows the Legislature, to move things. This is not--

ASSEMBLYWOMAN HECK: I--

ASSEMBLYMAN STANLEY: I don't want to go back and forth.

ASSEMBLYWOMAN HECK: That's all right. I have to tell you, it has been my experience that if the legislative body is not in tune with the Governor's Office, and I'm talking all administrations, things don't move. So I think some representation, some communication from the Joint Committee heads, as to the desire of the Committee, is in order.

ASSEMBLYMAN STANLEY: Oh, I'm not disputing that at all. As a matter of fact, that's why we have these hearings. That's why Mr.

McNeill comes here before us and shares with us information. That's why we give him questions and we share with him our feelings.

Senator.

SENATOR RICE: Mr. Chairman, thank you.

As Chair of the Joint Committee on Public Schools, the reason I, kind of, made certain I sit on certain committees -- subcommittees -- is because I want to make sure that -- keep a clear mind of responsibility. I'm never going to lose sight of our function. I don't want the Education Committee in the Senate or the Assembly to try to dilute the function of the responsibility of this Committee.

We don't legislate from this Committee. It does not mean we don't recommend (indiscernible). That's number one. Number two, you're 100 percent correct. And you and I have been through this before with previous Governors. But what my recommendation would be is that Mr. McNeill continue to move his process and let us know, at some point in time, once he gets everything in place, where he is. And you'll be coming back reporting on that through this Committee -- maybe the whole Committee. And then we'll determine what we have to do in terms of setting up a meeting.

Let me assure you, as Chair, that, at some point in time, I will designate a committee to meet with the Governor, not so much to tell him, at that point, what to do, but let him know that, hopefully, we stand solely behind (indiscernible) to support and help Mr. McNeill's organization. And if, in fact, it's school construction, it would be this Subcommittee to do that. That's what it's here for. If not, we don't need the subcommittees.

We're going to have the same problems we know we run into -- early childhood education. We have a construction component, but then there's the operation and implementation side. And we're going to be asking Assemblyman Tucker to start to hold those hearings, because what I hear is that he's got to start looking at designs for early childhood education. But, yet, we have not had a meeting to talk about the other pieces. And you have a design, and we don't even know how we're going to address that. So I think this Committee, under this leadership of Assemblyman Stanley and Senator Bark -- on the right track.

So let me give you a commitment as Chair -- Co-Chair -- that that will occur at some point in time. But I want to give the Chairman of the Subcommittee -- Co-Chairs of the Subcommittee, and, also, Mr. McNeill a chance to line up his thoughts, put them in perspective, get the package where he needs it, and then let us know that he is ready to proceed with those other plans.

And, also, certainly, we all are available to share and sponsor and co-sponsor any legislation that may be needed. We may not need legislation, and you may not need us to talk to the Governor, but that will not be your choice. We've been around long enough to know that sometimes we have to go over there and say, "Hey, chief, we're on board with you on this one," so we don't have a fight. Sometimes the Governor feels good to know he has some support, as long as he's not doing crazy things. So that's important.

I just wanted to, kind of, clear that up, because the Co-Chair today is correct. I think there's a time and a place. You're correct, and, of course, we've had those experiences, collectively, over the years.

ASSEMBLYMAN STANLEY: Let me just make clear my position on that. And that is that we are a separate entity of government. We, in fact, do have the opportunity to interact with the administration, and we will always interact with the administration. And we don't need to wait for any kind of meeting. I think Senator Rice has a direct line to the Governor, as well as myself. I think the Governor knows pretty much where we stand, many times before we get the word directly to him. But I do think it's very important that you realize that we are, certainly, in agreement with you in terms of the need to coordinate, and that the Governor is going to have to be a major player in making sure that that coordination happens.

MR. McNEILL: Thank you very much for the expression of support.

SENATOR RICE: Can I ask a couple of questions, then I'll probably leave you guys to get back. There's a transit meeting.

ASSEMBLYMAN STANLEY: Senator Rice.

SENATOR RICE: First of all, thank you very much for appearing.

And I thank Assemblyman Stanley and Co-Chair Senator Bark for starting these meetings and these processes. This needs to be a very active Assembly-Senate Committee. We can't let a lot of time get in between the things that are happening, because I want to commend the CEO. I know he's been up and down the state, and I've had an opportunity to meet with him, as well. And I know that there are a lot of people calling our offices with things that could benefit us that they are seeing, even in a construction piece now. And we've had those discussions. But I think some of the answers you gave are probably going to resolve some of those issues. The question is, how do we get

the contractors who are presently working to know that you're coming to their rescue? I think the way to do that is to expedite some of these things and then talk to them as they call to troubleshoot. They can save us a lot of money and get it done.

But the questions I want to ask -- the training programs concern me and is an area that we're going to have to monitor. The project labor agreement -- and I said this, and I said it publicly -- and all the union members who were on us about it, including the Governor, know that the project labor agreement is a way of getting unions on more jobs. But it was really earmarked, particularly, for this school construction.

It's been said that way. It's been said to me personally. But I'm not stupid. I've been around. The problem is, that's wonderful -- and I don't have a problem with unions. I'm not anti-union. The problem I'm having is that if you look at the history of unions and minority and women workers -- is very poor. That's documented. It's very poor. And within the crafts right now, there aren't many. In fact, they have yet to give me the real numbers statewide. They acknowledge that the numbers are small, and they claim that project labor agreement is going to help. Well, project labor agreement -- come to African-Americans and Latinos in particular, particularly African-Americans -- going to help a small number. I'm not concerned. I'm concerned, but not as much concerned about the small numbers, as I am about the majority of those young men and women who have been incarcerated -- but out on the street corners now looking for jobs, could probably do unskilled labor work, as well as some might be able to do skilled labor work -- don't read and write very well. Some can be taught to read and write. Some will never learn how to read

and write so well. But they're better craft people, individually, than most of the people in some of the unions. They're never going to be given an opportunity, under the scenario -- the legislation was struck with language, that I insisted on in my Caucus, that Senator James and Senator Wayne Bryant carried to Appropriation. And that's why you have all this training and all this pre and everything else locked in. That language doesn't mean much if the union's going to push folks around and dictate.

I don't know how to get around that, because unions traditionally really want the money for the dues. There ain't no use in me lying. And they benefit. That's where they make theirs. Now, I don't know if that means we have to take the guy off the street and say, "You're not a union guy, because you don't ever get a book, but we'll still send your benefits over here in dues." I don't care -- but some, kind of, way they cannot expect African-Americans and Latinos, hopefully -- at least legislative -- in this Caucus--

ASSEMBLYWOMAN HECK: And women.

SENATOR BARK: And women.

ASSEMBLYWOMAN HECK: And women.

SENATOR RICE: And women. But I was talking about the Caucus -- to be silent, because the Black and Latino Caucus and Asian (indiscernible), which includes women -- that Caucus agreed with me the problem is politically, no one spoke on the floor of the Senate but me. And that bothers me very much, because we think that sometimes it's more important to get elected than to represent the people that will send us here. And that bothers me. And that's not anti-labor. We have to figure it out. It's not going to be an easy task. And I'm not that confident in all the folks in

some of the local areas to be the cure, in terms of conversation -- how to get it done. So we're going to have more conversation with that. And that's going to be an area which, as Chair of the Joint Committee of Public Schools, I'm going to be insisting that the Chairs of the Subcommittee continue to monitor, and you give us reports on a regular basis. I don't know if you've thought about that or not -- how it's done.

And the final thing -- piece to go with that same question -- is, I know, with all the things we're doing statewide, that we can't afford to have the time to have someone trained and not working. My point is that some folks we may be able to train in a matter of weeks and put them to work. There are other folks -- not going to train them -- could be a matter of years. There will be no more work when they come out of the program. And some kind of way -- we've got to put work -- if it's unskilled labor -- train them.

In other words, "Don't have me sit up in a classroom telling me I'm going to get a job when I finish -- that's next year -- when my family has to eat now. Either I'm going to stick up another bank in between, or I'm going to be working now and meet some criteria." We may have to structure what we discipline folks to say, "Look, you'll be doing these things. But these are some things you're going to have to do, too," where there's not a lot of pressure.

Have you looked at that? Are you looking at it? And the bonding situation -- when you talk about the MBEs, etc.-- You and I have had discussions. We're going to have some meetings. I think that the wrap-arounds are good. But from a women and minority perspective, I have enough experience with construction -- construction people now, to know that a lot of

us talk about it, but a lot of us don't understand that. The wrap will sound good to folks who are not paying attention -- understand the industry, because what that means is that now I don't have to worry about the bond. I'll work under the developer or the general contractor's bond. I think that's wonderful. But when I complete my work, and I'm no longer working that school construction project, and I go over here as a contractor, I'm running into a bond problem again. This whole exercise should be to make me bondable throughout, so when I leave -- and I have some thoughts about that, and we'll discuss those. But it's something I want you to at least have on paper. And I want the Committee to be aware of -- that we are -- we need to pay attention to -- because I think school construction will work it's way out, regardless of how tedious, how expensive, how difficult. I think it would happen if we did almost nothing. It may be sloppy, but it will happen.

So my focus is going to be on women and minority participation -- this process in fairness. And I don't want to have to take on the unions by myself. I don't intend to take them on at all. But just like they can close a job down that's nonunion -- believe it or not, street folks on drugs and cleaning up and uneducated -- they close and give you a job-- They're not going to care about-- I just need to say that.

MR. McNEILL: I've had that experience, Senator. I know exactly what you're talking about.

ASSEMBLYMAN STANLEY: I appreciate those comments, too, from Senator Rice. I think as a caucus in general, before the legislation moved -- and I even mentioned it to Mr. McNeill when we met a few weeks ago -- that one of the major issues, when they didn't know whether they could get the

votes to pass the legislation in the Assembly, was that women and black and minority-owned businesses were number one -- included in the actual language of the legislation and certainly in our conversations with EDA -- that it was certainly a priority of ours, in terms of -- and we got certain commitments at the time when the bill was still in jeopardy -- as well as local participation -- the guy on the street corner, the person who maybe didn't graduate from high school. And in no way do I expect or do any of us expect, really, the project labor agreement to hamper that. That's certainly not the intention. That was not the intention of the Legislature to do that, and it's certainly is not the intention of this Committee to see that happen, as well.

We're certainly interested in your response.

MR. McNEILL: Okay. There's several questions. I hope I caught them all as I was writing them down -- starting with the PLA issue. We're in the process of putting that PLA, project labor agreement, in place. We've hired a consulting group to work on that. One of the major roles that that consultant, which is Hill International, has done under the leadership of one of our people, a fellow by the name of Jerry Murphy, is to assemble focus groups around the state in the various areas. And those focus groups included people of lots of different interests -- representing minority community; representing pastors from some of the churches; representing women's groups; representing, interestingly, the open shop, called the ABC open shop; nonunion contractors groups. Hamilton Bowser, who's a good old friend of mine -- very involved with the National Minorities Contractor's Association -- was involved, but he couldn't attend the meeting himself. He sent a representative.

But, nonetheless, we've had these groups together, and we've gotten input from all of them. The ultimate structure of that project labor agreement is intended to respond to keep the doors open to make sure that we do not only allow, but demand and encourage, minority representation, not just in the unskilled trade center, which you implied, which is relatively easy to do -- my sponsor, my confirmation, put an X on the paper. He couldn't write either. So there's a lot of people who can't write -- but he could sure work. But it was very difficult for a person to be a skilled electrician or a carpenter if they can't write and read. That's just simply not going to happen. So we have two different kinds of groups of people. But, nonetheless, we put this together. We're in the process of -- I expect to see the first iteration of this, first draft of this, within the first week or so in November. The goal we have, by the way -- and it's set in place -- I think we may -- is to have the PLA for all projects \$5 million and over in place starting with those being bid after the first of the year. So that's the target we're on. And one of the reasons I want to put my affirmative action officers out near the field in those regional offices is to check and to make sure that the unions who are involved and the contractors who are involved actually respond properly to the -- what those -- the project labor agreement has gone as far as its terms and conditions, because there's a price for doing it. The price is to keep the doors open, not close the doors to people who are not of the same color or race or creed or sex, as you may happen to be.

So that's the process we're going through now. Jerry will stay on top of this, I can assure you. He's very-- He's got a great deal of labor experience in his past, and he's a-- And, certainly, Commissioner Kroll, who

I've talked to from time to time, has agreed 100 percent with this matter. So I think I've got his support. So I think we're okay on that. And what I want to do--

SENATOR RICE: I need to get your--

MR. McNEILL: Excuse me, Senator -- is to make sure-- One of the reasons I want to have that monitoring on my own control -- I mentioned that earlier -- is I want to be sure we know precisely what we've got, because I'm very concerned about what we get in the skill trades. I'm not so concerned about what we get in the labor or unskilled trades, because that's been open for many years.

SENATOR RICE: Let me get some clarity. I'm concerned about both. And let me say this. I can't speak about other people, but my gray hair is not premature. I've been around a long time: 16 years in the city council, 17 down here. The hue and cry in the Newark and the Irvingtons that I work with, including Jersey City, is that "black folks and women aren't getting these jobs." And, they also say, residents. Now, when you look at a subcontractor, "locally--" What I start to pay attention to is, you're not going to find a lot of skilled black women contractors, Latinos, in Newark, because when they make a certain income they wind up in Maplewood and South Orange. So when we say resident contracting, we run into some problems. Now, our Portugese and our immigrant population -- yes, that's different. What we have in Newark, on Clinton Avenue and 16th Avenue in East Irvington, etc. -- we have folks out there who are not contractors. They're not skilled laborers. Some may be skilled. Some may be trainable, because they did some bootlegging and taping. So, I want to make that clear, because if not, everybody's going to be in the

towns, but Newark residents working jobs -- including unskilled folks, which means that we can identify affirmative action on the job, and then we'll be wondering why mayors and council are getting their behinds kicked and getting thrown out of office, and we're being criticized because we'll see numbers that do not reflect, in many cases, enough participation locally where it's feasible to do it. It's the same thing with these union shops. They have to buy materials and labor, these contractors. And it makes sense that wherever you're working, whether it's in the 55 percent, etc. -- that where you can buy -- as long as the numbers are right -- you buy locally to help the vendors and the small businesses grow. That's not going to happen unless there's margins for both ends, etc. And I've lived those experiences. And I can point the people out. And that's why I did not realize the (indiscernible) will be coming back into your process. And I mentioned that name earlier. I get concerned. It doesn't mean they do it. The question is if they want to do it.

In terms of reading, let me be clear on that. I shouldn't say folks can't read. A lot of them can read, but they're reading below scale. When I talk about reading, the union's excuse -- and I've been at the table with them and won't go back to the table again. The attitude is, like, "You're folks can't pass our tests. They don't read and write well enough." Well, you know what? They may not ever be able to read and write well enough, but I can tell you this, no one ever asked me about my family. They always tell me about theirs. One of the best masons in Richmond, Virginia, God bless him -- died a couple years ago -- is my uncle -- died at almost 90 years old. He could never read and write. But every craft person down there, just about, over the years called that man the best mason around. And my attitude is, like, when I go and see

people in Irvington, Newark, East Orange, with these little red pick-up trucks, that are skilled painters but can't pass -- and they be able to read and write -- basically stumble through it -- but can't pass a union book, regardless of how much training you give them. They're not working. What are they supposed to do? So there's got to be a testing. If need be, test the skills. Say, "You know what? You don't have to take a written test. You live in this town. Or, you're a minority, or woman, you know what? Come in here. We're going to put you-- Show us what you can do." I mean -- some kind of way-- The unions either want us or they don't want us. They either want some of us so they can control all of the jobs and use us up-front, or they want balanced participation without the biases, etc.

And I know that union tradition -- been family. I understand that. I know they said, "We've been incarcerated, but I'm going to form an investigative--" I ran record checks on most union members -- I'm going to find there's a lot of family members who have been incarcerated. They can make a phone call and get a book, and we can't.

So I don't care how it's done. That's their process. But there has got to be substantial participation where feasible, with women and minorities throughout this state, because we're not doing just, as you indicated, urban districts, we're doing the state. And there are state needs. And in those areas where there are state-- If you -- school in Livingston, and there are folks in Livingston and businesses in Livingston, they should give Livingston an opportunity to grow those businesses if they can and let those youngsters or people work.

That's all we're saying. I think you're the right guy for it. I'm really impressed. I have to leave, and I apologize to the Committee. But I'm really impressed with you as an individual in what I've heard today and your thoughts in the conversation we have had. I hope that this is not perceptual, because anyone who knows me knows that I will accept things for face value. But I don't back off of moving that process forward. But you really impressed me. To be honest about it, when the Governor said a corporation -- bringing someone in from Turner, and I've had experience with Turner. It's a big corporation, too. I said, "This isn't going to work." But you've got me thinking that this stuff may really work. So I want to commend you, and I'm going to commend the Chairs.

Thank you.

ASSEMBLYMAN STANLEY: Thank you, Senator.

Senator Bark. Thank you for your patience, Senator.

SENATOR BARK: Thank you.

I have served on committees with Senator Rice.

However, I also would like to point out that the minority situation is not just a problem in Newark and some of the northern cities. I hope you will not forget, certainly, Camden.

I have been involved with a very unique and, I think, a very positive program. Unfortunately, I do not think it has been re-funded by the State. And it's a program called Tools, and basically it's a 10-month program. And what occurs is, during the course of the day, they have an hour of physical training, because many of them are not physically fit to do a lot of the lifting. They have an hour of reading. They have an hour of math. And the rest of the

day is spent learning a trade: carpentry, electricity, and so forth. It has been a very positive one and regraduated -- all of the graduates from that program were minorities. And we only had one woman, which I was very sorry about. But the fact is, they were all minorities. They took the test for unions, and somehow or another, although they had passing grades, they are not members of the union.

I find that extremely distressing because these were well-qualified people. And I'm very upset about the fact that they were not admitted to the union, particularly since I look forward to Camden and to other Abbott districts in my area where they, certainly, could have been used. And I would hope that someone would think, once again, that that's 10 months. Our school construction is not going to be completed in 10 months -- and what a wonderful way -- because the program is advertised as minorities and women only. That's what gets you entered. And if you're not one of those, you don't get in. And the fact is, it's been a very, very positive program. And I was extremely proud of every one of these individuals who went through the program and graduated.

So, I will leave you with that thought, that maybe that can be expanded and somehow or another -- that we can do something similar for more minorities than we have.

And I'm going to just take this time to, kind of, ask the rest of my questions, if I may, and then I know there are others down here who would like to have an opportunity to speak, as well.

ASSEMBLYMAN STANLEY: Chairwoman, I'm sorry. I just wanted to, if I may -- I just want to recognize Pat Diegnan. He has to leave.

SENATOR BARK: Oh, I'm sorry.

ASSEMBLYMAN STANLEY: But I just wanted to thank that Assemblyman for coming and sharing.

Did you want to just say anything before you leave, Assemblyman Diegnan?

ASSEMBLYMAN DIEGNAN: No, I think I share everybody's comments that we're all very impressed with your presentation. And we wish you luck. And good luck getting through the maze, because it's going to be quite an experience.

MR. McNEILL: I'm sure you're right.

ASSEMBLYMAN DIEGNAN: Thanks.

ASSEMBLYMAN STANLEY: Thank you, Assemblyman.

Senator, I'm sorry.

SENATOR BARK: I just, really, have a couple more questions that are of concern to me because, obviously, you're aware of the most recent Supreme Court decision, which has now increased the number of Abbott districts to, I think -- we're up to 35, is that correct?

And, obviously, as we have an expanding base, what does that do to the money? Although I'm hoping that if you can't answer me today, that will be a part of the report that you intended to give us through the Chair on the dollars and cents. And maybe you can answer that. And that's okay if you can't.

MR. McNEILL: Actually, today, there's no way I can answer that. I couldn't even answer it for the first 20, plus the grants, to be very frank about it, because there's so much we've got to pull out of the long-range facility plans.

But, certainly, that is a major part of what we need to look at. And it needs to be done within the next six or eight months. Certainly, the entire state needs the benefit of knowing what the outlook is from the point of view of money and, hopefully, avoid the kind of financial catastrophe that Boston got into with that central artery up there, where they started out at \$3 billion and wound up at \$15 billion or whatever. You can't have that kind of program.

SENATOR BARK: But I think that, perhaps, as the base increases, and I have no idea whether it will increase further before we complete this program or not-- So it is certainly something we have to keep an eye on.

MR. McNEILL: You are absolutely correct.

SENATOR BARK: One of the other issues that I wanted to ask, a very simple question, is, it seems that you are adding a lot of staff. Your plan sounds wonderful. I agree with you. I like to be in control and not expect to have everybody else out here doing what I think they're doing, and come to find out they're not doing. And that is very distressing. So I understand your position.

Could you tell me where all the staff money is coming from? How is this being funded?

MR. McNEILL: Well, it's being funded out of the total program -- is where it's got to be funded from. All of the staff money, right now, that's expended, and has been expended to date, comes out of the Abbott funding for the program.

SENATOR BARK: Out of the bond funding.

MR. McNEILL: That's exactly right.

SENATOR BARK: Okay.

MR. McNEILL: And that's where the additional funding will come from to take care of the additional staff that we put up.

SENATOR BARK: Well, all right. I'll think about that later. I thought your plan was good, but by the same token, we need to be sure that we keep as much money in the bond for construction as to what it was originally created for.

MR. McNEILL: I think you've got to look, Senator-- I mean, the Anaheim Angels wouldn't have won the World Series if they played with 12 players.

SENATOR BARK: I understand. I'm not fighting that whole situation. I'm just saying that we do have to be aware if it all goes to people and not buildings, we still have not completed our task.

MR. McNEILL: This is a very, very small percentage of the cost for all--

SENATOR BARK: And, in fact, we might want to know that, through the Chair, if you would send that.

MR. McNEILL: I'd be happy to give it to you when I get the plan finalized.

Just to make a point, the way the new corporation has been formed, it has an audit committee, which includes the State Treasurer and so forth. That committee is a committee that approves our budget. We work on a fiscal year that's a calendar year, as opposed to the State.

SENATOR BARK: Okay.

MR. McNEILL: So, we're in a process right now, literally, of finalizing that budget to present to a November audit committee meeting. Once that audit committee approves it, obviously, it is a matter of record, and we'd be glad to send it on over here. But it's a work in progress right now. There's no point in giving you what I've got, because it may change.

SENATOR BARK: Thank you very much.

I only have one -- and this is a comment, because you were talking about establishing criteria for buildings. You talked about hallways, the size of hallways, and so forth. I only encourage you to evaluate things in terms of maintenance. I think the one thing that I've found is, as a school board member, you can do something on the cheap, but boy did it cost you year in and year after. The maintenance cost would skyrocket, whereas, if you had spent just a little more at the beginning, the maintenance cost would have been so much better. And I would urge you to look at your criteria from that perspective, if you would, please.

MR. McNEILL: Absolutely, and I couldn't agree with you more. I had a wonderful conversation on just this issue down in Neptune with the school people down there. That really put it into focus for me. You're absolutely right.

SENATOR BARK: Thank you.

ASSEMBLYMAN STANLEY: Thank you very much, Senator.

I'm going to recognize Lisa Logan, who is the Director of Legislative Affairs for Senator Byron Baer, who couldn't be here. But we're glad to have you.

Lisa.

MS. LOGAN (Legislative Assistant to Senator Byron M. Baer):
Thank you very much, Mr. Chairman.

One of the issues that Senator Baer wanted to be on record for saying was that he wants to have the minority participation to totally be recognized and increased. And we're glad to hear, as a result of this testimony today, that that is a focus of yours. The minority participation from vendors to the bidding process to the workers, contractors as well as subcontractors, because, as Senator Rice had made allusions to, sometimes not everybody is at the table at the same time.

But a question that I did have was, when you were referring to your short-term list of things that needed to be addressed, you had made a statement about the permit process -- that prequalifications before the bidding with the minority contractors -- that they actually, in fact, have an additional step that they have to do that other contractors do not have to incur. I believe it was going to the Commerce Department. I wanted to know why is it that they would have to go an additional step, as opposed to another contractor?

MR. McNEILL: Good question. The reason for it is that, in order to be a registered minority or business enterprise in the State of New Jersey, you have to go through this process of registering and being approved by the Department of Commerce. I don't make that rule. It's just the way it is. So that gives that group of folks one more set of forms to fill out, if you will, in order to get that done. Of course, that's just the rules that you have in the State. That's your State procurement rules. So, if you want to change it, it's fine with me.

But that's how we ultimately come to the point of view that we know it's a true, honest to goodness minority or women business enterprise, as opposed to, many years ago -- and you're not old enough to remember this -- but there used to be a lot of what they called shingle outfits or sham outfits that would put up a name, take a little fee, and satisfy the requirements. And that's the reason most of the government agencies today, as you have here within the Commerce Department, go through the drill of making sure that who they're dealing with is a credible person. So, when we see that, we know that person is, in fact, in the system, and we can rely on the fact that they are, in fact, a legitimate minority contractor, woman contractor, not just a front.

MS. LOGAN: Through you, Mr. Chair, do you feel that by having this additional step, that that is, in fact, singling out, even more so -- as opposed -- for a minority-run business, as opposed to a nonminority -- that they would, in fact, have a higher incidence of minority contractors that are so-called shams?

MR. McNEILL: Well, I'm not going to get into that part. But what it does do is, it makes sure that what we-- You have to remember, we have requirements for a certain number of minority business enterprises and women business enterprises. Every one of the contracts we let, whether it's a professional services contract, like the project management firms or like the design firms, they have to have certain percentages, and similarly with the construction firms. So, we will not accept--

We take a bid from a contractor. He's got three days to name the minority firms and the women business enterprise firms that -- I shouldn't say he. He or she has three days to present the names. We then check them with

Commerce to make sure that they are, in fact, registered and certified. So, it could cut two ways. I mean, obviously, there's a certain amount of work that gets funneled to the minority and the women business enterprises. But, in a sense, the price for that, to make sure there is no sham activity going on, is you have to have them certified.

There's a reason why it's there. I didn't mean to make a big deal out of the fourth requirement. It just happens to be something that makes the process work.

MS. LOGAN: Well, I want to also state that Senator Baer's excited about having you on board. And, hopefully, the process can now move forward instead of being at a stalemate that it currently has been for the past two and a half years.

MR. McNEILL: Thank you very much. If we ever buy enough property, we'll sure be building schools. I can assure you that.

ASSEMBLYMAN STANLEY: Thank you, Ms. Logan.

SENATOR BARK: Mr. Chairman, when he said that, it triggered something else, if I might.

I've been involved with farmland preservation for a long time. And what has been established is a team of appraisers that has been approved for farmland preservation by the State, and you can use those quickly. And maybe you need a team of appraisers. And I throw that out as, maybe, a way to do business, for what it's worth.

MR. McNEILL: Great minds run down the same track. That's exactly what I meant when I said task-order contracts. We would bring the team up, or the business deal will already be arranged. It's only a matter of

saying, "Okay. We want you to go to that site and appraise that site." Similarly, with the title companies. Similarly with the surveying firms. All of the items have to be done during the predevelopment. I couldn't agree with you more. And that's not been the process that we've been working under, but it clearly will be the process that we're working under in the future.

ASSEMBLYMAN STANLEY: Thank you, Senator.

We don't want to keep you all day, because we want to get these things done. We want you to go back to work at the Corporation and make sure that we start implementing these things. We're very sensitive to the time lines, making sure that some of these things are done.

I've been looking at some of the work done by the working group, and I noticed that even with respect to some of the new standards for designs and efficiency standards -- some of the time lines that we're looking at are out into December or January of 2003 with respect to-- For instance, with respect to the early childhood facilities, we're looking at, hopefully, getting some standards. I think you had mentioned we have to have standards published. And we're looking at maybe December 15, 2002, as being the date where the public comment period will begin and then the publishing of special adoption regulations by (indiscernible) 15, 2002. That refers to the -- that might refer more to DOE than to you. But all of these things certainly have to be coordinated.

I have a couple of questions with respect to the health and safety projects that have been done so far. You've mentioned a couple of different figures with respect to health and safety projects, where they were. I know we have heard that all of them would be done by the end of the year, and you

mentioned that was just the projects that were in the pipeline at the time. Can you, kind of, expand on that a little bit, because what I'd like to set up are some types of definitive time lines that we're working with -- exactly what we're talking about so that when we come back next month to try to get an update -- because I think this will be an ongoing process, so that we can monitor where we are so that we don't see the type of -- you know, any slippage with respect to our deadlines, and make sure that we're as involved and as engaged as we can possibly be with respect to the actual health and safety projects? Where are we with respect to those?

MR. McNEILL: Okay. Right now, we have, in our radar screen, if you will, about \$520 million worth of health and safety projects. We have completed--

ASSEMBLYMAN STANLEY: Now, that's things that we know need to be done. Is that what that is?

MR. McNEILL: That's correct. Some of them have not yet been bid to contractors. Some of them are still in design. Actually, a few of the designers haven't been selected, yet for all kinds of various reasons.

The actual progress on that is -- approximately half of it is done. So, it's approximately, give or take, \$250 million to \$275 million is actually completed. That progress will continue on. There will be a pretty good bump that happens during the summer of 2003, where a lot of the school districts have asked us to hold off that work until the kids are out of school so it can be done while they're out of school. And then there will be a little--

I expect everything that we know of, of any nature in kind, with regard to health and safety, to be completed during 2003. It might be

November or December, but it will be during 2003. Now, that said, I must say that what the PMFs have been telling -- project management firms have been telling me is that as they start doing work on health and safety -- which, you have to remember, the health and safety scopes that they're having the contractors work on now, the designers designing now, were developed two or three years ago. So, naturally, there's continuous deterioration, weathering, whatever might be involved. So they're uncovering more things. We're trying to figure out what's the best way to deal with that. And my bias is simply to, when you uncover it, give them the change, get it over with, and fix it. There are some issues that get a little bit bigger, and there the DOE is a little bit concerned, if we give too large a change order, that may not be appropriate. So there's a little mix-match going on here.

There may be something-- The reason I'm going through this little tangent is there may be some stuff along those lines that wouldn't be done in 2003, just because it wouldn't be authorized for us to do. You have to remember that we do nothing at all until we get a DOE authorization, or the Department of Education authorization. The process is, the Department of Education gives us an authorization to do something, and then, and only then, do we start to do it. So that's the process you go through.

ASSEMBLYMAN STANLEY: It is my understanding we had approximately \$650 million in approved health and safety--

MR. McNEILL: I think that's somebody's guess of what the total will be. What I just gave you is what's absolutely, actually authorized to move forward on right now. Six-fifty is the guess of what the total program will take.

That's what I said. I heard this 90 percent number. And I've heard that 90 percent is going to be-- From the day I got here, I knew that wasn't correct. Simply, somebody mistook something that was said. I don't have any doubt that when the Governor said that in the middle of the year, what he was talking about had to be 90 percent of what was then underway. And that clearly will be done. There's no doubt about that.

ASSEMBLYMAN STANLEY: With respect to the communities' involvement with school design and some of the other aspects of community schools, are there protocols that are being developed to allow for community involvement and engagement? We haven't really seen the procedure.

And, I guess, the second part of the question is, just in terms of a road map -- actual -- what's the process going to be? One of the huge problems -- and I guess it's probably the final question-- One of the huge problems that has been experienced by the districts is just not knowing what the process is. Some people, I guess down here in Trenton-- You know, Trenton has the most projects, I guess, lined up to go. But I think that's more because they were closer to the people who were doing the actual stuff. So any time they were told, "Oh, you've got to go over to the AG's Office," they just went over to the AG's Office. Then the AG sent them back to DOE. They went back to DOE, and so on and so on. But for a district like Irvington or Newark or Paterson, that's pretty far they've got to come -- they can't spend a whole day or 10 or 30 days trying to figure out where do they go next.

One of the things that was really a cry was that there needs to be a process in place. It has to be published so that people know exactly where they have to go to get the job done. How are we with respect to that? And I

think community participation is very important, but there has to be a mechanism for that, or else no one knows how to do that.

MR. McNEILL: I think you've really asked two different questions. Let me try to-- And they relate to one another, clearly. Let me try to deal with them one at a time.

As far as the process is concerned, the fundamental process that is ongoing, to get a school built in Irvington or Camden or any other town, is that the school districts prepare what is called a long-range facility plan. That long-range facility plan is submitted to the Department of Education down here in Trenton. The Department of Education approves, normally after two or three iterations of the plan, and most of those plans today are approved. Gloucester City just had theirs approved relatively recently. Some have been approved for a year-and-a-half. So a couple of them are in the process of being revised. Newark, as an example, is changing an educational concept to do away with middle schools and have K-8 and then high school. So that obviously implies they've changed their plans. But that's all on the educational side.

Once that plan -- that long-range facility plan is approved between the Department of Education and the school district, then the school district starts to, presumably on their own priority, say, "Okay. Here's the projects that we want to have: first, second, third, etc." And they start to give us projects, again, through the Department of Education. So they may come out and say, "I'm ready to do my elementary school for 700 kids at Fifth and Elm in my town." They give out their program for that particular school, which presumably fits what's in the long-range facility plan. The Department of

Education finds that it's good or not so good. They may have to change it a little bit.

Once they have come to an approval with the Department of Education, the Department of Education then sends us that school. That's the first time we really see it. Obviously, we know it's coming, because we see the long-range facility plans. We know everything that's coming through the pipe. But we don't get it until they give us that approved package.

At that moment, we start the process of land acquisition, if it's required; site studies, if there's no land acquisition required, to make sure it's environmentally sound and all that sort of thing; engage the designer; and engage the builder, ultimately, or the contractor; and get the process done.

ASSEMBLYMAN STANLEY: But a lot of this requires a little back and forth with the district. I imagine it's not as simple as you make it out to seem.

MR. McNEILL: No, I was giving you a big over-- There's a lot of--
- But now let me go to the second part of your question, because it's a very important part. And I've had some very intense discussions with people in the districts about this, and this is where there's a lot of misunderstanding.

When we get that school at Fifth and Elm in my town given to us, it almost always has a site attached to it -- that we want to put this school at Fifth and Elm on this northwest corner. And that's where it's going to go. And that means, to us, either we've got to go buy the property or somebody already owns -- the school district or the city. But that's the property it's going to go on.

What's happened is, some school districts apparently do a pretty good job of discussing, disclosing, debating whether that's the proper site for that school. Others absolutely don't. I was in a meeting, and, frankly, I was getting embarrassed about, because the people on the other side of the table, who were community people, people from the local government, and people from the school district, were going to kill each other because they said, "Nobody's told us about these sites." "All I want to do is buy the site and put the school on it, please."

But, in any event, that is when the first and most major disclosure ought to be made -- and the dialogue with the communities. Is this the proper site? Should it be closer to someplace else? Take it away from the go-go bar and put it near the church. Whatever, that kind of thing. But that is a community issue, not either my group's issue or the Department of Education's issue. We can encourage that, but that's not what we do.

Now, what we do, in fact, do is: once we get the project, I had built into all the designers contracts, the procurement of a design firm, that twice during the design period, they must, to fulfill their contract, have a community session -- usually it's chaired by the school district, but the designer is the one that does the work, and they put up a picture. They do a shred of what's going on with the school, how it's going to work, how it's going to fit into the community, why they've chosen this particular look for the school -- because it fits the local environment or whatever it might be. So, they have a requirement to do that. But that's after I get it.

The most important time, though, is when the site is selected. And that's one that the communities really have to -- because the people in

Trenton, whether they're at the DOE or at my group -- that's not -- they don't live in that community. That's really not their thing. So, when that school district and that superintendent submits the program to DOE, I think DOE has a reasonable right to expect that they've gone through the steps that are required to put that school on that site. And if they haven't -- as I said, I was at one school district less than a month ago where it was very clear that they had not -- it gets to be awfully complicated for everybody.

SENATOR BARK: Is that primarily because it's going to be 100 percent funded and they haven't had to go to a bond issue, because when you go to a bond issue, it has to become public? It has to be on the ballot.

MR. McNEILL: You're absolutely right. I suppose that's part of it. It must be, Senator.

ASSEMBLYMAN STANLEY: I think the other part of that question deals with just the process of who in the School Construction Corporation will be assigned to specific tasks: the manpower chart, the flow chart, in terms of where the actual -- where the paper is. You know, there had been a tremendous paper flow. I hope the flow is a little smoother now. And just in terms of where the project is at any given time in State government -- you know, just trying to track down where your paperwork is can be full-time for a person in a school district. Those were some of the concerns that we heard. So, to have a flow chart, to have actually names -- assign people who would be able to, in fact, give districts information on where their project is at any given time would be helpful, as well.

MR. McNEILL: I couldn't agree with you more. What I will do-- Truthfully, I can't tell you whether such a publication has been made to all the

districts over time. I don't know that. It probably would appropriately come out of the Department of Education. Obviously, I've got a group of people who are perfectly willing to put the help to that. But what I will do, as a result of this meeting, is contact them -- I know there is at least one representative from the DOE here in the room -- but I will contact them to ask them if they haven't done such a publication, to do so. And if they have done such a publication, do it again.

ASSEMBLYMAN STANLEY: Thank you very much.

Okay. Any other-- No other questions, I believe, for--

SENATOR BARK: I have to ask one more.

ASSEMBLYMAN STANLEY: Oh, the Senator has one more question.

SENATOR BARK: This is a real short question that I hope you can answer as quickly as I'm going to ask it. I know that, in serving in other arenas besides State Legislature, every time you go to build anything you have to go through the archeological one, two -- I think there are three steps that you have to go through. Are you also going-- Do you also have to do that?

MR. McNEILL: Yes, we go through what's called a predevelopment process, and we try to make sure -- and that if there's any indication that there's an archeological situation there, then, obviously, you deal with it as you would at a private site -- in an intelligent way to make sure you don't violate something that is irreplaceable.

SENATOR BARK: And I understand that, because I like historic things. But, boy, it can sure slow down a project.

Thank you.

ASSEMBLYMAN STANLEY: Thank you, again, Mr. McNeill.

And I guess I would be remiss, because if-- This was something that was brought up to me, and it was very important to the people in Paterson. I know that you came on board -- I think you were on board a short time when the situation in Paterson concerning one of the buildings opening -- a job had not been completed and a clean-up was not done. And we had kids in the building that, probably, shouldn't have been in there. Are there-- Are we-- Do we have anything in place that will prevent that -- prevent a repeat of that type of situation -- now that you're on board, and your organization is a little more informed as far as building and construction is concerned? Will that be eliminated, because, I mean, it was just a lot of -- a comedy of errors, almost, that led to this situation.

MR. McNEILL: Mr. Chairman, I certainly would agree with your characterization. It was a comedy of errors and a lot of hysteria built on itself. But, in fact, at the bottom of it, there was a problem that had to be dealt with. So, clearly, internally, that kind of situation is not likely to happen again, because, obviously, we used it as a learning experience. And it's been well-publicized, not only within the New Jersey School Construction Corporation group, but also among the project management firms. They're all well aware of it. They've all understood what the problem is.

Now, that said, I doubt that that exact problem will happen again. But we are talking about construction programs. We're talking, for at least the next year, still doing a lot of things that are health and safety work, which means you're inside of old buildings. The odds are, there will be some kind of excitement on some project in the future, and we'll have to deal with it when

it comes up. But there's no way that I can ever guarantee you, that in the kind of environment that you're dealing with when you're doing renovation and remodeling and health and safety upgrades, that you're not going to come into some situation that's going to break a pipe or cause some other kinds of problems. Those things, unfortunately, do happen.

ASSEMBLYMAN STANLEY: Just in terms of students being allowed in the building and those types of things, there ought to be some type of red flag, some communication that says, "No, we're not ready to open. We're not ready to go. We have to have an emergency plan."

MR. McNEILL: And I don't think you want to get into all the details of that today. There's two sides to that story. And I just think-- Let me say this. I applaud what Superintendent Duroy did. I think he did exactly the right thing to deal with that issue. He put the kids at another school -- half sessions until there was no doubt that that school is now -- P.S. 6 in Paterson is what you're talking about -- until P.S. 6 is clearly taken care of. I think he did precisely the right thing. Our people tried to be supportive up and down the line with him. Clearly, you don't want kids in an environment that's harmful to them. Hopefully, that will not happen again.

ASSEMBLYMAN STANLEY: Thank you.

And the last question -- I know I said that was the last question. (laughter) These are people who have asked--

MR. McNEILL: You're running out of questions now.

ASSEMBLYMAN STANLEY: Yeah, that's right. People are going to ask me the answer to these questions later on. So I have to make sure I ask them. This is the last one, for sure, though -- and that is, where we are -- and

I'm not even sure that you even know the answer to this -- where are we with the raising of the dollars, the selling of the bonds -- the school bonds at this point? How many dollars are available? I get the conflicting reports.

MR. McNEILL: Okay. Well, let me tell you what the facts are. Let me start with the preamble. We do not, as the School Construction Corporation, sell the bonds. The bonds are sold by EDA. That's one of the things that EDA still has as its responsibility. And we have a memorandum of understanding between us. And they have put out a statement by their board, and so forth, that they will support anything we do so that the people doing business with the School Construction Corporation can be comforted that there will be money there.

That said, we have just sold another, or they have just sold another, batch of bonds for the School Construction Corporation, which was in the amount of \$600 million. That \$600 million, on top of the previous \$500 million that were sold, means that there's a total of \$1.1 billion that have been sold to date, of which approximately \$500 million has been used. So, in a sense, in the bank account, approximately \$600 million is there.

ASSEMBLYMAN STANLEY: Okay. Thank you very much.

Any other Committee members have anything to say other than thank you very, very much?

ASSEMBLYWOMAN HECK: I thank Mr. McNeill for his patience.

ASSEMBLYMAN STANLEY: We really appreciate your coming and answering the questions and sticking there with us.

I believe there are some other people who have come and may want to give some testimony to the Committee.

Again, Mr. McNeill, I thank you for coming. We appreciate your diligence. And I would like to, hopefully, keep the door open for you to come back again some time, maybe within the next month or two, just to give us an update. I know there are a couple of things that were still in process. But you expect to have them within 30 days or so, so maybe we can have another meeting before the year is out just to keep us all on track.

MR. McNEILL: I'd be delighted to be responsive to the Committee whenever you'd like to have me.

ASSEMBLYMAN STANLEY: Thank you very much.

MR. McNEILL: I'm right down the street.

ASSEMBLYMAN STANLEY: I really appreciate it. Thank you.

Was there anyone else? I know a couple of people had spoken to me about, possibly, wanting to testify. I had mentioned that anyone who wanted to provide any comments or testimony would be allowed to do so.

And Joan Ponessa, from the Education Law Center--

JOAN PONESSA: I'd just like to make one comment.

ASSEMBLYMAN STANLEY: Why don't you come up to the podium, Joan? We're making a transcript, so we have a record.

MS. PONESSA: Okay. I would just like to make one comment. And basically--

ASSEMBLYMAN STANLEY: Press the red button. (referring to PA microphone)

MS. PONESSA: It's actually a correction. There are not 35 Abbott districts. That was an administrative law decision, not a Supreme Court decision. They suggested that five more districts be added to the Abbott list. And that is up before the Commissioner, who has to sign it. So, I just wanted to make the audience aware that, at the present time, that is still up in the air. It's still 30.

The Commissioner, right now, is required to make recommendations to the Legislature as to the number of Abbott districts or the appropriate districts that should be included in the list of Abbott districts. So this is not a Supreme Court issue at the moment. And I just want to make that very clear.

ASSEMBLYMAN STANLEY: Okay. Thank you very much, Joan. I appreciate your coming forward.

I think the gentleman here from Paterson mentioned he would like to give testimony to the Committee.

Please state your name.

JEFFREY DYE: My name is Jeffrey Dye. I am the Director of North Jersey Local Residents Workforce. It is a job training and placement program in the city of Passaic that deals with Passaic, Paterson, and Newark. That's why it's called North Jersey.

The program is particularly for fathers paying child support -- to assist fathers paying child support, welfare recipients going from welfare to workfare, at-risk youth in a community, as well as our seniors, to train them in the fields of construction, health fields, computers, and heavy-duty construction.

I don't know how much time I have to speak, but I wanted to make it as brief as possible.

ASSEMBLYMAN STANLEY: Please go right ahead.

MR. DYE: Pretty much, the Senator and yourself, Assemblyman Stanley, spoke on a lot of the things I wanted to say, in terms of minorities in the community -- African-Americans particularly being shut out of the process in terms of jobs and job training and minority contractors, as well as first-term offenders and ex-felons being employed on these projects.

From my experience from dealing with the board of education, previously, before the EDA got involved, we had a partnership, so to speak, whereby we built the early childhood center in the city of Passaic, which worked out very well. We had two men on the job. We couldn't get more than that -- behind the fact the unions kept hampering the project managers, in terms of nonunion people being on the job. But, at the same time, we had a local union in the city of Passaic, Local Labors Union 321, that we would constantly approach, in terms of trying to get people into the union. And they would just tell us that the books were closed at this time. And this went on for years. "The books are closed. Just come down in the morning. If something's available, we'll send you out." Well, you would be there five days a week, and you might go out once that week. It just became the fact that it was very discouraging.

And even the CEO, Mr. McNeill, had spoke in reference to discouragement for the community. And it is a great deal of discouragement, in terms of African-Americans in the community, in believing in the process of our elected officials -- that they are going to make a difference in our lives, in

terms of us trying to take care of our families with these job opportunities that are coming about -- that are here now and coming about.

My whole thing is, basically, in speaking since the EDA came into play with the contractors -- that we've got to constantly be bombarded with, you have to be in the union, or, you have to go to a certain training program that is pretty much pointed out or selected by certain officials in the community. And I'm particularly talking about Pascrell's NJCDC in the city of Paterson that has been selected to do the training, even though you have other training programs that are available and that are interested in training.

ASSEMBLYMAN STANLEY: Are there not enough job slots or training slots available through that organization?

MR. DYE: That is the point. We have a meeting on Thursday with the Mayor and the point person, Idida Rodriguez, as well as the Executive Director from NJCDC, who had spoke about partnershiping with us in the past until these projects came about. And then it was a lack of commitment to commit with the partnership. That's why the meeting's taking place.

But we've been there before in terms of-- They were telling us that we were going to have some type of inclusion in the process, but then the schools started getting built, as we speak, and no one is being put on these projects.

I think this is a -- I'm kind of jumping the subject a minute -- a book that I think everyone should take a look at. It's called "Black Labor and the American Legal System: Race, Work, and the Law," by Robert Hill. It's a very interesting book in terms of how, for years, we have been shut out of the process of these construction jobs.

The way it stands now, and the way the training program is going to work, it's almost like a lottery system. You have to hope that you'll be able to get into the training program, hope that you'll be accepted and be able to complete that, and then hope the apprenticeship courses by the union would accept you out of that training program. And, if you can make it into the apprenticeship program, you're hoping that they will pass you on -- that you would be selected for a job. There's no guarantees, nowhere in there, whereby, if you complete a course that you automatically have a job waiting for you. The Senator pretty much spoke on that. These are some of the problems.

So I want to leave everybody with a flyer that we're passing out in the community -- all of the Committee members with a flyer that we're passing out. We're challenging our pastors -- our community to challenge our pastors to challenge our elected officials to challenge the directors -- I mean, the developers, the contractors, and the board of education to assist us in the hiring of our local residents. We have people that went through our training program that went through heavy duty construction courses that--

It's like the Senator said, people are -- skilled people ready to go to work right now. People are trying to take care of their families. They don't have -- they're not interested in going through a training program, although, I agree with you, a training program is important -- that a person is trained, whereby they can go on and work in various other places in the community other than just that town, and have the skills to continue to go on and keep working other than just one job, and that job is over with, and it's gone. So I agree with that, that some of the people should be trained.

But there also is people right now trained and ready to go to work. There's also people that know the skills, but like he said, doesn't have the education. And I think these are just a bunch of mechanisms and hurdles that are put in our way to keep us from being included in this process.

ASSEMBLYMAN STANLEY: Well, I certainly think that you have a valid point. I think that that issue is certainly one that Senator Rice is aware of, and I am also aware of. I mean, having grown up in the inner city, I know some of the hurdles that have been put there. I believe we received a commitment from Mr. McNeill that he understands what we're advocating. I think all the members on the Committee are in agreement with respect to persons from within the communities.

When we first talked about this project three or four years ago, when the Supreme Court first made the decision, we said this could be something that could really make a tremendous difference in communities that had great needs. Not only could we build schools, but we could actually build communities. And we could actually use this as, almost like, a marshall plan right here in this country -- that we could actually use in the inner cities, places where poverty levels were high and unemployment was high -- to actually jump-start those economies. And so that is certainly the intention of this Committee. And we certainly take what you say as first-hand evidence of the kinds of things, kinds of hurdles that we've got to be diligent in breaking down so that the goal of the Committee, the goal of the legislation is met with respect to that.

And I assure that I will do everything in my power to make sure that we have the type of cooperation from those involved. If you're not going -- if you're not letting people play, you can't play.

ASSEMBLYWOMAN HECK: Mr. Chairman, I think we all agree on this issue, and that practical experience is needed.

ASSEMBLYMAN STANLEY: Sure.

ASSEMBLYWOMAN HECK: All the training in the world isn't going to give you what you need, as far as practical experience.

I think we should, again, be proactive in this particular area and talk to Mr. McNeill. And if there is a way we have to, more or less, require a certain percentage to be hired in a contract, we should do that.

ASSEMBLYMAN STANLEY: Absolutely. I agree with you 100 percent, Assemblywoman.

MS. LOGAN: Mr. Chair, what is the author of that book?

MR. DYE: Herbert Hill.

MS. LOGAN: Herbert Hill.

MR. DYE: Herbert Hill.

MS. LOGAN: Okay. Thank you.

ASSEMBLYMAN STANLEY: Okay.

SENATOR BARK: Mr. Chairman, there's one other thing that I would like--

I think that Mr. McNeill, if I remember correctly, said that he was working on a plan on how to work with the project labor agreement and, at the same time, be sure that he can incorporate many of the minorities. I would

hope that we could ask for a copy of that plan when it's completed, through you.

ASSEMBLYMAN STANLEY: Very good. We can certainly do that.

SENATOR BARK: Thank you.

ASSEMBLYWOMAN HECK: I think one of the dangers is that certain minorities might be connected to certain groups and certain minorities not connected to certain groups. So there could be a problem in fairness to, say, your program, as opposed to another program.

MR. DYE: Let's take a percentage from each.

ASSEMBLYWOMAN HECK: Yes.

SENATOR BARK: That's fine.

ASSEMBLYWOMAN HECK: I'm serious about that, because we know that they can play those games.

MR. DYE: I think that's the solution to that.

And I just want to say two last things. One is very important. Basically, like the Senator and yourself, Assemblyman, had stated, it is very important that when projects are done in our communities that they hire from our communities, as opposed to them saying, "Okay, we got some minority from down in Ocean County," or what have you, that's already in their union, and we're in our community paying our taxes and we can't go work in our own schools that we support. And so that's something that I think is very important -- and that they also address -- like the Senator said, dealing with the ex-offenders and first-time offenders, making sure that once someone had a

strike with the law, they be given a chance to come back and rehabilitate themselves.

ASSEMBLYMAN STANLEY: Very good.

MR. DYE: I thank you for your time.

ASSEMBLYMAN STANLEY: Thank you very much. I appreciate you coming down. I appreciate you participating yesterday, as well. And any time you need to get in contact with myself or any member of the Committee, you know how to reach us.

MR. DYE: Thank you very much. And I appreciate your help, as well.

ASSEMBLYMAN STANLEY: Absolutely. Thank you.

Marianne Kunz -- we have here -- has asked to be added to the witness list here.

M A R I A N N E K U N Z: Thank you, Chairman, Senator Bark, Assemblywoman Heck.

Actually, I just wanted to piggyback on this conversation.

ASSEMBLYMAN STANLEY: Can you state your organization?

MS. KUNZ: Yes, I'm Marianne Kunz, from the New Jersey School Boards Association. And I just wanted to add something to this conversation that we just had.

I did hear Mr. McNeill talk about the PLA implementation. And I did hear Senator Rice's concerns and your concerns. And Mr. McNeill mentioned focus groups -- that focus groups had met over a period of time. I actually was on the focus group. And I just wanted to tell you a little bit about that process.

There were probably at least six focus groups. I was with the school groups, but there were contractors, and unions, and there were community groups. They all met separately, and they all came together. And there were a lot of talks about inclusion of minority-owned businesses and women-owned businesses, apprenticeships. It was two full days for me and other people.

The end result of that process is a report that was supposed to have gone from the Hill Construction Company-- EDA, apparently, contracted with Hill to do these focus groups. There will be a report. It was supposed to have gone to the Governor last Friday.

We were told, as participants, that we would get a copy of it. So I would imagine that there will be a document out there on how the implementation of PLAs will be inclusive. And I would imagine that that would be something that this Committee would like to have.

SENATOR BARK: Thank you. I look forward to that.

ASSEMBLYMAN STANLEY: Absolutely.

As a matter of fact, through our Executive Director, Melanie Schulz, I would like to ask -- request that all the members be given a copy of that report once it is given.

Thank you very much. I appreciate that.

Seeing no other speakers--

Do any of the members of the Committee have anything they would like to add at this point? (no response)

Well, I want to thank all the members of the Committee. I want to thank Assemblywoman Heck, Senator Bark, and my good friend over there

who represents Senator Baer, Lisa Logan -- it's good to have these cards handy -- for your indulgence. And also, Senator Rice, in his absence, and Assemblyman Diegnan for coming, as well.

This was certainly beneficial. And, I suspect, that within the next six weeks or so we would try to reconvene to get an update on where we are. And I think it's very important that the Committee remain engaged. I think that's one of the things that we've been somewhat lax on over the last couple of years -- is making sure that these things are actually happening. Once we pass the legislation, we have to remain engaged to make sure that what we have put into law is actually being implemented.

And I thank all the members for their participation. I thank all the people who came out today for coming, and their testimony, as well.

Thank you very much. The meeting is adjourned.

(MEETING CONCLUDED)