



State of New Jersey

Performance Report

Capital Projects Fund
2023 Report





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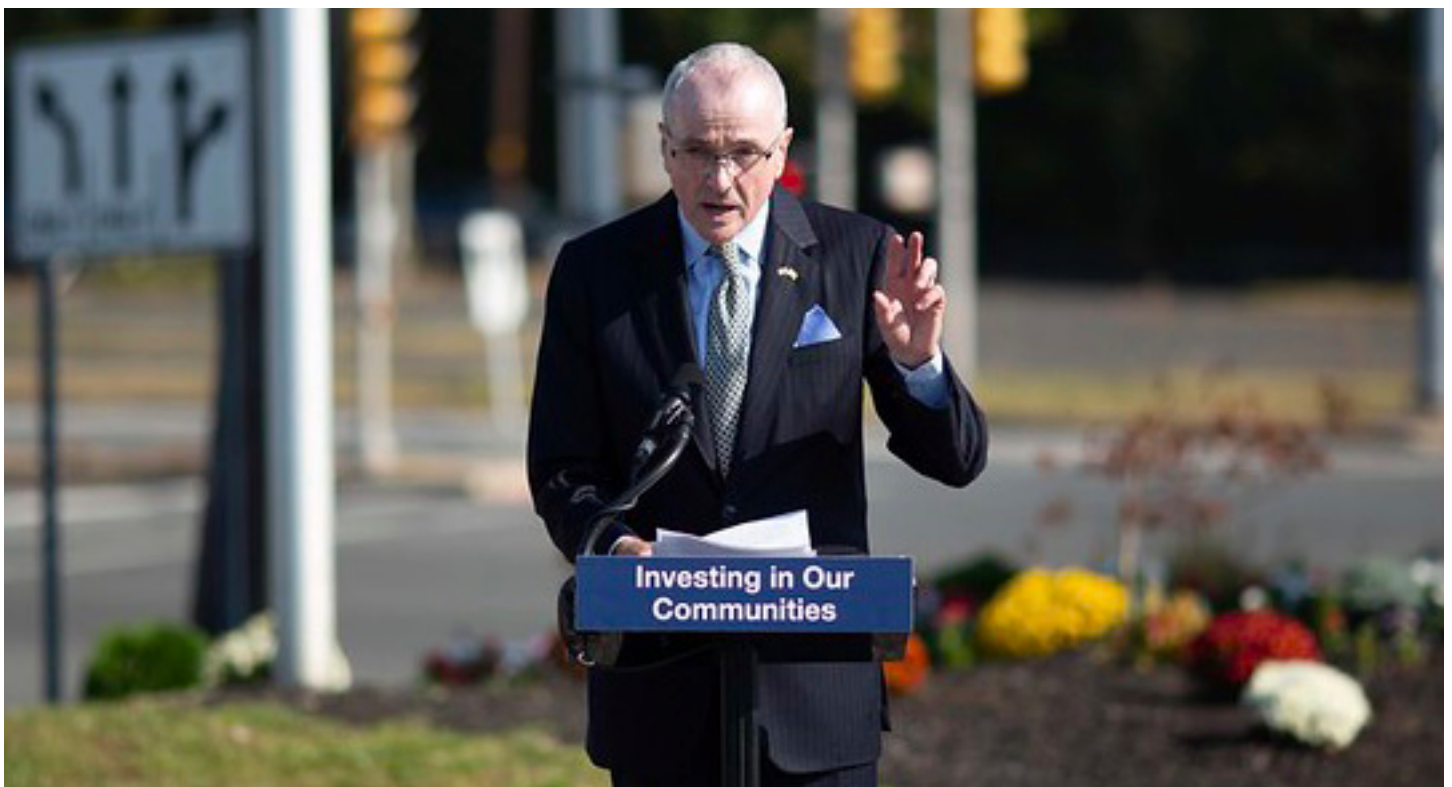
EXECUTIVE SUMMARY

The Murphy Administration is pleased to partner with the U.S. Department of Treasury (UST) to make critical investments in capital projects “directly enabling work, education and health monitoring” using the Coronavirus Capital Projects Fund (CPF). In response to the COVID-19 public health emergency, these funds will promote digital equity and increase opportunities for broader engagement in school, healthcare, employment, and other essential services. This Administration – led by the Governor’s Disaster Recovery Office and the Department of Community Affairs’ Division of Disaster Recovery and Mitigation is working to stand up seven (7) programs that will benefit thousands of New Jerseyans and specifically communities who have been underserved or historically disadvantaged.

New Jersey has received final approval from UST for three (3) programs: The New Jersey Broadband Infrastructure Deployment Equity Program (NJBIDE), Union City Grade 7-9 Community School and the Building Community Resilience through Community Facilities. These programs intentionally target

underserved communities who have lacked affordable access to high quality internet, and consequently have been denied access to crucial opportunities and information. The Murphy Administration understands that in a post-pandemic era, getting people connected is a long-term recovery solution and crucial to ensuring the following key outcomes:

- Narrowing the digital divide by improving digital equity and opportunity, especially in disproportionately impacted communities.
- Increasing job growth and higher rates of business formation, in addition to lowering unemployment rates.
- Improving life and health outcomes, with increased access to health care providers, educational opportunities, and social networks.
- Increasing civic engagement and participation by widening access to critical information sources.



The State took multiple approaches over the course of a year to engage communities and solicit their feedback to choose projects appropriate for CPF funding. The Administration collaborated with stakeholders through public input processes such as townhall meetings, listening sessions and scheduled meetings to further maximize public awareness and participation in the planning process. Feedback was solicited from thousands of individuals, community organizations, and advocates to understand the need and to assist in selecting CPF projects. Specifically, Governor Murphy signed a law creating the Broadband Access Study Commission (BASC) charged with evaluating the impediments of access to broadband services for all residents, and to study physical access, deployment, and affordability of broadband service. The BASC has convened with key agencies, departments, stakeholders, and community organizations. Through these important partnerships, Governor Murphy looks forward to making critical and high-impact investments across the state.

The State's strategy in selecting CPF projects has always and will remain focused on promoting equitable outcomes in communities with critical access needs. As described herein, the planned broadband infrastructure, community school and library/community center programs, and the Union City Community School project attempt to address digital inequalities that have created gaps between those who have access to technology, the internet, and digital literacy training and those who do not. The approved CPF projects, along with future programming will continue to prioritize designing and implementing programs geared towards building long-term solutions for bridging those gaps and to meet the goal of CONNECTING ALL!

To this end, the Murphy Administration will continue its efforts to employ an equity framework that helps agencies prioritize a community-centered approach as programs are being created, with a focus on underserved and under-resourced areas, and to provide guidance on how to effectively incorporate equity into programmatic decision-making. This effort builds on and leverages several federal tools to ensure target populations are aware of and can easily access programs and services for which they're eligible, in addition to also ensuring that these programs and services undergo regular internal review and implement lessons-learned to continue increasing the access to, awareness of, and benefit for their target populations. This process includes a mixed methods approach that includes qualitative and quantitative metrics elicited from community feedback, as well as sufficiently collected and analyzed program data, to ensure that funds and other resources are allocated, leveraged, and spent equitably.

USE OF FUNDS

THE NEW JERSEY BROADBAND INFRASTRUCTURE DEPLOYMENT EQUITY PROGRAM (NJBIDE) (CPF_GP_0000245).

Program Start Date: June 29, 2022

Program End Date: December 31, 2026

CPF Funds Awarded: \$50,000,000.00



A. Project Summary

To combat the digital divide and address critical needs and inequities related to work, education, and health monitoring, including those exacerbated by the COVID-19 pandemic, the New Jersey Broadband Infrastructure Deployment Equity program (NJBIDE) will implement a pilot program intended to identify and connect unserved, underserved, and at-risk areas in the State with limited or no access to broadband facilities. This will be accomplished through targeted broadband infrastructure projects developed by the states' Board of Public Utilities (BPU).

The pilot program is intended to provide affordable universal access to reliable broadband services with a minimum of 100/100 megabits per second (mbps) capable of supporting existing and next-generation applications and streaming services. The goal is to promote digital equity and economic development through expanded non-traditional workplace, health, and educational opportunities. Through a competitive bid process, awarded bidders will implement and operate projects focused on the deployment of broadband infrastructure to bring access to high-quality internet service to areas which currently lack broadband connectivity.

While the pilot program will be limited in size and scope, it will be evaluated to develop a more detailed program strategy to achieve the Program Objectives on a much broader scale in the future.

B. Equity

The Pilot Program's primary objective is to identify unserved, underserved, and at-risk areas or communities in the State with limited or no access to broadband facilities and develop the creation, planning, and deployment of a modern, ubiquitous, and scalable state-of-the-art broadband network and deliver an affordable solution at no less than symmetrical 100/100 Mbps. The State defines unserved as having service at 10/1 Mbps, and underserved areas as having service at 25/3 Mbps. The Pilot Program will focus on fiber-based solutions which will enhance remote work and learning, as well as community access to telehealth. It is being designed with equity in mind to ensure that all residences and business have comparable access to broadband.

As of July 2022, about 17% of New Jerseyans currently do not have access to an internet subscription. Additionally, federal estimates depict that as many as 1.1 million households in the state currently live at or below 200% of the federal poverty level. Furthermore, less than 50% of individuals of racial/ethnic minorities, almost 25% of seniors, and only 10% of individuals living in rural areas live in places with fixed broadband service delivering advertised speeds of at least 25/3 Mbps – the criteria by which we define underserved areas. Due to a recognition of these existing digital divides, our State has been and continues to work diligently to further identify the exact locations for effective broadband access and affordability interventions.

The NJBIDE Pilot Program will rely on this existing and additionally collected data, research, and a statewide mapping initiative which will identify unserved, underserved, and at-risk communities in New Jersey. The BPU has conducted a comprehensive mapping, affordability, and outreach initiative. The data and research from the reports will be used to identify communities that would benefit from fiber deployment. Areas for the Pilot Program will be identified by evaluating the available data in unserved and underserved areas and then sorted to maximize the number of households that can be reached using existing average construction costs per mile or cost per household. The results will then be weighted to rank the areas based upon equity, socioeconomic, and other appropriate measures. Critical needs will be assessed and included in the eligibility and evaluation criteria after the consultants complete their outreach and submit their reports.

C. Project Outputs and Anticipated Outcomes

During the current reporting period, the Board of Public Utilities has taken several steps including launching a [website](#) that provides announcements and news promoting public awareness, and continuing efforts to develop the state broadband map. Notably, the BPU leveraged Geographic Information Systems (GIS) to challenge the national broadband map, resulting in 38,506 additional Broadband Serviceable Locations (BSL) and 27,116 additional unserved locations being added to the revised map.

For the next reporting period, we expect to successfully complete the following activities:

- Create a broadband deployment model for all pilot locations.

- Co-host the inaugural CPF summit, which will bring industry leaders together to discuss broadband best practices and to provide a deeper understanding of critical program requirements.
- Connect with the State Planning Advocacy Workgroup to coordinate critical infrastructure projects.
- Expand program staff as necessary.

While progress has been made, there have also been challenges, which have caused unanticipated delays. Specifically, the development of the State’s Broadband Access Study Commission report, which is meant to provide recommendations for improving broadband access was stalled due to cybersecurity concerns. This process setback the report for roughly six months. As it stands, we are diligently working to complete the report.

In addition, we received a low response rate from the community on the Broadband Availability & Assessment Tool (“BAAT survey”). The survey remains on our webpage to gather a larger sampling of community stakeholders.

D. Community Engagement

On July 7, 2021, Governor Murphy signed into law P.L. 2021 c. 161 creating the Broadband Access Study Commission (BASC). The Commission is comprised of 19 members led by the President of the Board of Public Utilities and other key state agencies and departments as well as legislative appointees. The BASC represents stakeholders and community organizations statewide and is charged with evaluating the impediments of access to broadband service for all residents, and studying physical access, deployment, and affordability of broadband service. The BASC has convened twice since May 20, 2022 and is fully engaged in assisting the BPU in identifying unserved and critical need areas using the preliminary maps developed by the New Jersey Institute of Technology (NJIT).

Additionally, an outreach survey was published on NJ’s Broadband website to determine connectivity levels of households, small businesses, and other entities statewide. This survey was made available in several languages: English, Spanish, Chinese, Portuguese, Tagalog, Italian, Korean, Gujarati, Polish, Hindi, Arabic, and Haitian Creole. The survey measured Internet access and usage, and consequently, survey data identified unserved and underserved areas within low-income communities.

Future community engagement will continue throughout 2023 within the areas identified and selected for broadband deployment. The Team will engage residents, businesses, organizations, local officials, and other stakeholders. Virtual meetings with community stakeholders take place weekly and will continue through the period of performance to refine the broadband deployment plan for their community. Activities may include hearing sessions, public comment periods and steering meetings with local officials.

NEW CONSTRUCTION UNION CITY GRADE 7-9 COMMUNITY SCHOOL (CPF_GP-000151).

Program Start Date: July 26, 2022

Program End Date: December 31, 2026

CPF Funds Allocated: \$50,000,000.00



A. Project Summary

The Union City Grade 7-9 Community School in Union City, New Jersey will function as a multi-purpose community facility that will educate 827 students in grades seven through nine. It will encompass community use design features that will support the offering of vital in-house services that enhance student and adult learning and development. This facility will support the District's after-school enrichment programs for students and adults who require the use of school facilities beyond the normal school day.

The school's design and development will provide members of the Union City community with meaningful and productive learning opportunities to create employment opportunities. According to the New Jersey Department of Labor and Workforce Development, Union City maintains an unemployment rate of approximately 6%, which trends 2 percentage points higher than the county average. Close to 2,000 residents, according to the data, are currently unemployed. These numbers, however, are dramatically higher than reported due to the large number of undocumented workers living in Union City who are not represented in current data. Consequently, there is a tremendous need for career counseling programs, workforce training programs, as well as vocational training programs that allow participants to acquire the requisite skills needed for employment.

The school will provide a variety of learning opportunities that increases workplace marketability, supports career development, and enables community members to find employment to support their families. Adult education programs, such as ESL and GED classes, will provide students

with the foundations of learning and create a solid foundation to promote a basis for additional educational opportunities offered through this program. In addition, computer and technology literacy programs that will enable adult learners to gain necessary skills to navigate through our technology-dependent job market will be a critical component of the initiative. These programs will teach tech-specific skills in addition to providing learners with internet and technology access to learn, explore, and access job placement resources. Finally, this program will incorporate vocational programs and training in the fields of culinary arts, hospitality, and office management. These planned offerings will provide adult learners with career-specific skills necessary to obtain stable and long-term employment.

B. Equity

The communities targeted for this multi-purpose community facility include the Union City Public Schools' student population and the community at large with a focus on marginalized groups including immigrant and low-income groups. Union City has the distinction of being the second most densely populated city in the nation, with a population of slightly under 70,000 people. The city has a median household income of \$42,483 and 24.3% of residents live below the poverty line. The district's percentage of students on free and reduced student lunch is 83%. The density of the population combined with the socio-economic factors create a unique set of challenges not just for students, but for the community at large. COVID-19 had a tremendously heavy impact on the people of Union City. Many of the city's residents not only became ill due to the virus, but many perished while many others lost their jobs. For immigrants recently arriving with little or no formal education or job training, this school facility and its programs will strengthen the community and enable adults to pursue opportunities.

Moreover, Union City Public Schools is designated as one of 31 special-needs school districts in New Jersey known as SDA Districts (formerly 'Abbott District'). The district serves historically high concentrations of at-risk students such as children of families in poverty, limited English populations and students with disabilities. The community school will further academic gains and progress in closing student achievement gaps in New Jersey.

The funding provided for this project will ensure the facilities, programs, resources, and support systems needed for the continuity of a high-quality and equitable education in the school. It will also provide enormous opportunities for a largely underrepresented adult population.

C. Project Outputs and Anticipated Outcomes

During the most recent performance period, a contract was entered into with the Design-Build Contractor to complete the design and construction of the school. The scheduled completion date is June 2025 with a facility opening in September 2025. Additionally, site preparation activities commenced with soil removal and replacement which is roughly 75% complete. During the next reporting period we anticipate having final approval of the Final Educational Adequacy design submission from the state's Department of Education which confirms that proposed design will be educationally adequate to support students. Additionally, we anticipate approval of construction notice and to have commenced limited building construction on the footings and foundation of the building.

Since the project is in its early construction stages, we have yet to experience any challenges and have not incurred any ancillary costs.

D. Community Engagement

Extensive and ongoing community engagement and public participation will be solicited from the communities involved to guide implementation. Partnerships have been established with local media such as Univision, Telemundo and local and national media outlets to solicit input from the community and promote educational programs.

Future community engagement will include the establishment of a committee which will monitor the progress of the program. The committee will identify opportunities to support the program, trouble-shoot challenges as they arise, and make organizational and program-specific decisions. The Committee will include: the principal and central office leadership, community leaders, and any intermediary organization that will work directly with the partners to support the program.

BUILDING COMMUNITY RESILIENCE THROUGH COMMUNITY FACILITIES (CPF_GP-000056).

Program Start Date: January 9, 2023

Program End Date: December 31, 2026

CPF Funds Allocated: \$18,400,000.00



A. Project Summary

Building Community Resilience through Community Facilities project addresses disparities in access to education, jobs, and health monitoring by investing in capital improvements at community facilities, to include public libraries, municipal or county community facilities, non-profit organizations, full-service community schools, or community health facilities. The result will be an increased number of residents with ready access to high-speed internet in community locations, together with opportunities for workforce development, education and health monitoring in these convenient and trusted spaces.

This program, managed by the New Jersey State Library (NJSL) is expected to fund between 15-20 projects that improve community facilities and infrastructure and will invest in new equipment that supports digital equity. To complement the work of building or renovating physical spaces, the project will also allow acquisition of equipment such as computers, computer servers, routers, laptop or desktop computers, mobile devices including but not limited to Wi-Fi hotspots, and other items that are used in broadband access and employment readiness and job search, education programs and health monitoring.

B. Equity

The pandemic provided stark evidence of the disparities in access to the internet, devices, and digital literacy across wide swaths of people. In addition to the disparities in access to digital

tools and connectivity, challenges to community engagement were caused or exacerbated by the COVID-19 health pandemic. This program aims to target those populations that were disproportionately impacted, specifically communities with limited English proficiency.

The program seeks to fund community facilities that serve communities that have been historically underrepresented and disproportionately impacted by the health pandemic. Eligible applicants will be limited to those facilities that serve communities in qualified census tracts, and those communities will be assessed based on certain demographics, namely: percent of household with less than a high school degree, the percent of households without internet access, and the percent of families living in poverty.

Moreover, eligible applicants will be required to document the challenges faced by their communities and the critical needs that may be addressed through the funding opportunity. It is equally important to note that the scoring criteria for applications has been developed to give appropriate weight to those community facilities serving populations with the greatest need, in addition to the facilities' proposed interventions for addressing those deficiencies. This methodology will also ensure that at least one disproportionately impacted community from each county in the state is eligible to benefit.

C. Project Outputs and Anticipated Outcomes

Primary activities during the reporting period focused on identifying target communities for a competitive grant opportunity, developing a subgrant application, developing a web-based application portal and recruiting personnel for program implementation.

During the next reporting period we intend to continue hiring personnel and releasing and publicizing the grant opportunity. Additionally, we will issue grant awards, conduct pre-award risk assessments, and provide technical assistance to grantees on community engagement and program design.

Since the project is in its early planning stages, we have yet to experience any challenges and have not incurred any ancillary costs.

D. Community Engagement

The New Jersey State Library will engage with numerous stakeholders and community partners to bring community voices to the table. This will ensure that the program meets the needs of potential participants. Future engagement will include holding community listening sessions, distributing surveys/evaluations to understand the unique needs of communities impacted by the program and creating a mechanism by which ongoing feedback can be collected throughout the life of the project period.

COMMUNITY ENGAGEMENT

In addition to the project-specific outreach led by agencies managing the approved programs, the Murphy Administration has held two public listening sessions where over 200 organizations were invited to give oral testimony to Administration senior staff on recommended uses of funding. The public was invited to send written testimony as well. In addition to individuals and businesses providing input, the following diverse group of community-based organizations, non-profits, and advocacy groups submitted input:

- 32BJ SEIU (Service Employees International Union)
- ACLU-NJ
- Alliance Center for Independence (ACI)
- American Federation of Teachers New Jersey (AFT NJ)
- ArtPride New Jersey
- Association of State Colleges and Universities
- Bergen Volunteer Medical Initiative (BVMI)
- Bergen Volunteers
- Center for Great Expectations
- Chamber of Commerce Southern New Jersey (CCSNJ)
- Coalition of the Delaware River Watershed
- Communications Workers of America
- Community Options, Inc.
- Displaced Homemakers Network of New Jersey
- Employers Association of New Jersey
- Health Care Association of New Jersey (HCANJ)
- Higher Education Leadership Council
- International Federation of Professional and Technical Engineers
- Isles
- Latino Action Network
- Latino Action Network Foundation
- Mayo Performing Arts Center
- Metro Community Church
- Musconetcong Watershed Association
- New Jersey Black Issues Convention (NJBIC)
- New Jersey Business & Industry Association
- New Jersey Citizen Action

- New Jersey Coalition to End Domestic Violence
- New Jersey Community Schools Coalition
- New Jersey Cultural Trust
- New Jersey Education Association
- New Jersey Emergency Medical Services Task Force
- New Jersey Future
- New Jersey Health Care Quality Institute
- New Jersey Hospital Association
- New Jersey Library Association
- New Jersey Policy Perspective
- New Jersey Restaurant and Hospitality Association
- New Jersey School Boards Association
- Policemen's Benevolent Association Local #105
- Property Tax Fund Advocate
- Regional Plan Association
- Rutgers University
- Salvation and Social Justice
- The Family Success Institute
- The Somerville Historic Advisory Committee
- The Wallace House and Old Dutch Parsonage Association
- The Worker Institute, School of Industrial and Labor Relations, Cornell University
- Tri-State Transportation Campaign
- UFCW Local 360
- United Food and Commercial Workers (UFCW Local 464A)
- United Way of Northern New Jersey

STATE OF NEW JERSEY LABOR PRACTICES

The State of New Jersey's robust labor practices protect workers, improve the overall pool of labor talent, and ultimately lead to the successful completion of major public works projects by skilled laborers. Over the years, and particularly under Governor Murphy's administration, New Jersey has made clear that public contracting is a privilege and not a right by instituting laws that guarantee some of the most rigorous worker protections in the country. The following is a brief overview of New Jersey's existing labor practices that will be applied to construction projects funded by Capital Project Funds.

I. PREVAILING WAGE ACT

New Jersey's Prevailing Wage Act, N.J.S.A. 34:11-56.25 *et seq.* (PWA), protects workers engaged in public works as well as their employers from the effects of unfair competition resulting from wage levels that are detrimental to the efficiency and well-being of all concerned. The Act requires the payment of minimum rates of pay to laborers, craftsmen, and apprentices employed on public works projects. Pursuant to the PWA, covered workers must receive the appropriate craft prevailing wage rate as determined by the Commissioner of the Department of Labor & Workforce Development.

In addition to the PWA, the New Jersey State Building Service Contracts Act, N.J.S.A. 34:11-56.58 *et seq.*, establishes prevailing wage levels for employees of contractors and subcontractors furnishing building services in state-owned and state-leased buildings. To effectively enforce the PWA, New Jersey's standard contract "Terms and Conditions" require compliance with the appropriate State or federal prevailing wage. In almost all cases, the prevailing wage rates for various trade personnel are higher in New Jersey than the federal rates.

II. PROJECT LABOR AGREEMENTS AND THE PUBLIC WORKS CONTRACTOR REGISTRATION ACT

Pursuant to N.J.S.A. 34-11-52.38 *et seq.*, a public entity must consider a Project Labor Agreement (PLA) that serves as a pre-hire collective bargaining agreement covering terms and conditions of a project greater than \$5.0 million. A public entity may include a PLA if it finds that the project meets the requirements for a PLA, taking into consideration the size, complexity, and cost of the project. These requirements also include promoting labor stability and advancing the interests of the public entity in cost, efficiency, skilled labor force, quality, safety, and timeliness.

Upon review of a State public works project, the New Jersey Department of Treasury's Division of Property Management & Construction (DPMC) determines whether the statutory criteria for a PLA is met. In addition to the size, complexity, and cost of the project, DPMC considers not only the need for a reliable skilled labor pool needed to complete a project, but also the quality of the work needed, and the need to meet all safety, regulatory, and special requirements of the project.

In many large, complex projects, the PLA will provide a certain level of confidence to the State that a project will be completed in an orderly and timely manner by a skilled labor pool capable of performing quality work and in

an efficient and safe manner. In these projects, a PLA will be recommended and negotiated with the local Building Construction Trades Council using the standard State PLA. The project is then advertised with a requirement for a PLA and the contractor agrees to abide by the PLA at contract award. The PLA then governs the employment of labor on the project from initiation until completion.

On April 30, 2021, Governor Murphy strengthened the State's existing PLA law by signing legislation that promotes workforce diversity in public works projects by requiring any public entity which includes a PLA in a public works contract to include PLA provisions requiring the provision of on-the-job or off-the-job outreach and training programs for minority group members, members of disadvantaged communities, and women. The PLA expansion bill also expands the permissible use of PLAs beyond contracts for building-based public works projects, thus allowing PLAs to also be used for highway, bridge, pumping station, water, and sewage treatment plant projects.

To further promote the development of the State's workforce, New Jersey's Public Works Contractor Registration Act (PWCRA), N.J.S.A. 34:11-56.48 *et seq.*, requires any contractor, or any subcontractor or lower tier subcontractor of a contractor, to be registered with LWD when bidding on a public works contract. Governor Murphy signed a law in 2019 that mandates that all contractors engaging in public work must be participating in a United States Department of Labor "Registered Apprenticeship Program" to obtain an LWD registration under the PWCRA. Unlike other states, there is no opt out of the Registered Apprenticeship Program in New Jersey. This ensures that every dollar spent on public construction in New Jersey at the State, county, or municipal level is invested in expanding and training the current and future construction workforce.

III. EMPLOYEE WAGES AND BENEFITS PROTECTIONS

New Jersey's laws ensure that its workers enjoy some of the strongest wage and benefits protections in the country. Every New Jersey worker is legally entitled to minimum wages (\$14.13/hour in 2023, rising to \$15.13/hour in 2024), earned sick leave, equal pay, temporary disability insurance, family leave insurance, and unemployment insurance. Further, New Jersey has some of the most expansive statutes protecting against civil rights violations and preventing discrimination in the workplace. See, e.g., New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 *et seq.*

In addition to strong legislation to protect workers, the Murphy Administration has more than doubled the number of Wage Hour investigators at the New Jersey Department of Labor & Workforce Development (LWD), and most recently created an Office of Strategic Enforcement and Compliance to coordinate resources and enforcement authorities throughout LWD and across state government to protect workers and compliant employers from the threats of wage theft, employee misclassification, workers compensation fraud, and dozens of other worker protection statutes.



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