

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/RWH

P.L.2013, CHAPTER 252, *approved January 17, 2014*

Assembly, No. 3059 (*Second Reprint*)

1 AN ACT concerning the ²**[Financial Policy Review Board and**
2 amending and supplementing P.L.2006, c.3] Annual
3 Transportation Capital Program and supplementing Title 27 of
4 the Revised Statutes².

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 ²**[1.**Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to
10 read as follows:

11 6. a. There is hereby created in the Executive Branch of the
12 State Government, a body corporate and politic, with corporate
13 succession, to be known as the Financial Policy Review Board. For
14 the purpose of complying with the provisions of Article V, Section
15 IV, paragraph 1 of the New Jersey Constitution, the board is hereby
16 allocated within the Department of Transportation, but,
17 notwithstanding that allocation, the board shall be independent of
18 any supervision or control by the department or by any body or
19 officer thereof. The board is hereby constituted as an
20 instrumentality of the State exercising public and essential
21 governmental functions, and the exercise by the board of the powers
22 conferred by this act shall be deemed and held to be an essential
23 governmental function of the State.

24 The board shall be comprised of five public members with
25 experience in transportation finance and policy. The Governor shall
26 appoint three of the members with the advice and consent of the
27 Senate. The remaining members shall be appointed by the
28 Governor as follows: one upon the joint recommendation of the
29 President of the Senate and the Minority Leader of the Senate, and
30 one upon the joint recommendation of the Speaker of the General
31 Assembly and the Minority **[leader]** Leader of the General
32 Assembly. Each member shall serve for a four-year term and shall
33 serve until the member's successor is appointed and qualified;
34 provided, however, that in order to achieve non-concurrent terms,
35 of the members first appointed pursuant to this section, two
36 members appointed by the Governor shall serve for four years;
37 while the two members appointed upon the joint recommendation of
38 the President of the Senate and the Minority Leader of the Senate

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted June 14, 2012.

²Assembly amendments adopted in accordance with Governor's recommendations January 6, 2014.

1 and upon the joint recommendation of the Speaker of the General
2 Assembly and the Minority Leader of the General Assembly shall
3 serve for three years each, and the remaining member appointed by
4 the Governor shall serve for two years. The Financial Policy
5 Review Board shall be deemed to be constituted immediately upon
6 appointment and qualification in the manner provided in this section
7 of at least three members.

8 b. The purpose of the board is to assure fiscal discipline
9 through evaluating the financing of transportation and preparing an
10 annual State of Condition of Transportation Financing certification.
11 The certification shall ensure that the financing and expenditures of
12 the New Jersey Transportation Trust Fund Authority (the
13 "authority") adhere to certain standards. The standards are:

14 **【a.】** (1) The bonding limitation as provided in subsection i. of
15 section 9 of P.L.1984, c.73 (C.27:1B-9).

16 **【b.】** (2) For the fiscal year commencing July 1, 2007, the
17 amount expended from the revenues and other funds of the
18 authority for permitted maintenance shall not exceed the amount
19 expended for permitted maintenance in the fiscal year commencing
20 July 1, 2006.

21 **【c.】** (3) The total amount authorized to be appropriated from the
22 revenues and other funds of the authority for project costs shall not
23 exceed \$1,600,000,000 annually.

24 c. Commencing with the fiscal year beginning July 1, 2007, the
25 board shall submit to the Governor, the Legislature, and the
26 commissioner on an annual basis the State of Condition of
27 Transportation Financing certification as to the requirements of
28 subsection a. of this section referencing therein a certification with
29 regard to **【subsections b.】** paragraphs (2) and **【c.】** (3) of subsection
30 b. of this section to the extent feasible, given the other provisions of
31 this section. The certifications shall be based on the board's review
32 of the State's fiscal year final expenditures from the preceding fiscal
33 year, including bonding and expenditures from the annual
34 independent audit of the authority, and the amount of authority
35 funds programmed for permitted maintenance. If the capital
36 program and its financing are found to be in compliance, the first
37 annual certification required by this paragraph shall be submitted by
38 February 1, 2008, after the certification is concurred with by the
39 members of the authority, and by February 1 of each year thereafter.
40 The board shall advise the commissioner and the authority on
41 February 1, 2008 and on each succeeding February 1, if the board
42 finds that the authority is not in compliance with the bonding
43 requirements as provided in subsection a. of the section, and that a
44 corrective action plan is needed. The authority shall submit a
45 corrective action plan that would reduce its future bond sales to
46 offset the amount of excess bonding or to reduce future debt service
47 payments, or both, as the case may be. Upon approval of the
48 corrective action plan by the board, the certification shall be issued

1 with certain conditions. The Annual Transportation Capital
2 Program submitted to the Legislature for the forthcoming year shall
3 be in compliance with the provisions of the corrective action plan.
4 If the board does not approve the corrective action plan, the
5 authority shall submit a financial plan showing bonding only for
6 existing projects, noting that no bonds shall be issued for new
7 projects shown in the department's Annual Transportation Capital
8 Program. The board shall advise the commissioner on February 1,
9 2008 and on each succeeding February 1, if the board finds that the
10 Department of Transportation has exceeded the limitation for the
11 amount of authority funds spent on permitted maintenance pursuant
12 to subsection b. of this section, or for the amount authorized to be
13 appropriated for project costs pursuant to subsection c. of this
14 section and that a corrective action plan is needed. The department
15 shall submit a corrective action plan that would offset the excess
16 amount spent, or the excess amount appropriated, in the prior year
17 with less funding for permitted maintenance or for projects, as the
18 case may be, in the proposed capital budget request. Upon approval
19 of the corrective action plan by the board, a certification as to these
20 matters shall be issued with certain conditions. The Annual
21 Transportation Capital Program submitted to the Legislature for the
22 forthcoming year shall be in compliance with the provisions of the
23 corrective action plan. If the board does not approve the corrective
24 action plan, the authority shall submit a financial plan showing
25 bonding only for existing projects, noting that no bonds shall be
26 issued for new projects shown in the department's Annual
27 Transportation Capital Program.

28 d. In each State fiscal year commencing with fiscal year 2012,
29 the board, in consultation with the department, shall, in addition to
30 submitting the annual State of Condition of Transportation
31 Financing certification, report to the Legislature pursuant to section
32 2 of P.L.1991, c.164 (C.52:14.19.1) on a quarterly basis, detailed
33 information concerning: the authority's capital spending; the New
34 Jersey Transit Corporation's capital lease financing program; the
35 Port Authority of New York and New Jersey's capital spending on
36 projects included in the department's Annual Transportation Capital
37 Program; the New Jersey Turnpike Authority's capital spending and
38 any contractual payments made to the State or the authority by the
39 New Jersey Turnpike Authority; the South Jersey Transportation
40 Authority's capital spending and any contractual payments made to
41 the State or the authority by the South Jersey Transportation
42 Authority; the receipt and expenditure of federal funds included in
43 the department's Annual Transportation Capital Program; the use of
44 monies from the General Fund as projected in the department's
45 Annual Transportation Capital Program; and any other 'the'
46 information that the board deems relevant in providing a financial
47 overview and evaluation of the department's Annual Transportation
48 Capital Program. The quarterly report shall provide the Legislature

1 with the board's assessment of: the current and anticipated ability of
 2 the authority to continue to adequately fund the department's
 3 Annual Transportation Capital Program; the use of federal capital
 4 funds spent on preventive maintenance; the ability of the State to
 5 make current and future debt service payments and other
 6 expenditures; and whether there is a need to limit bonding.

7 The board shall be entitled to call to its assistance, and avail
 8 itself of the services of, such employees of the department, as it
 9 may require and as may be made available to it for the purpose of
 10 carrying out its duties under this section. The department shall also
 11 provide the board, or any member thereof, with any information a
 12 member deems necessary or useful in carrying out the functions of
 13 the board.

14 The board, with assistance from the department, shall create and
 15 maintain a website on which the quarterly reports issued by the
 16 board shall be posted, ¹and together with¹ any other information
 17 that the board deems relevant in providing transparency to the
 18 financing of the department's Annual Transportation Capital
 19 Program.

20 (cf: P.L.2006, c.3, s.6)]²

21
 22 ²[2. (New section) The Financial Policy Review Board shall, on
 23 or before August 1 of each ¹State¹ fiscal year ¹2012-2013 through
 24 ¹2015-2016¹, issue a ¹[comparison of]¹ report comparing¹ the
 25 amount of pay-as-you-go funding to support the annual
 26 transportation capital program as proposed by the Executive in
 27 January 2011 and the¹ portion of the ¹actual¹ appropriation,
 28 included in the annual appropriations act for the fiscal years ¹[in
 29 which]¹ covered by¹ the report ¹[is issued]¹, to support the
 30 transportation capital program for ¹[that year]¹ those years¹, that
 31 constitutes pay-as-you-go funding for the program. The report shall
 32 take the form of a chart, based upon the Executive's ¹[capital]¹ five-
 33 year¹ transportation ¹[program]¹ capital plan¹ proposal issued in
 34 ¹[_____ 2010]¹ January 2011¹, as follows (\$ in millions):

35

	FY 2012 Executive Proposal	Actual	Difference
Pay-as-you-go	\$76.0		
	FY 2013 Executive Proposal	Actual	Difference
Pay-as-you-go	\$260.6		
	FY 2014 Executive Proposal	Actual	Difference
Pay-as-you-go	\$374.8		

	FY 2015 Executive Proposal	Actual	Difference
Pay-as-you-go	\$489.7		
	FY 2016 Executive Proposal	Actual	Difference
Pay-as-you-go	\$605.2		

1

2 In each fiscal year, the board shall report the comparison directed to
 3 be made under this section by entering the pay-as-you-go amount
 4 actually included in the appropriations act ¹for the fiscal year in
 5 which the report is to be issued and each previous fiscal year
 6 beginning with fiscal year 2011-2012¹ and the difference between
 7 that amount and the amount set forth in the Executive proposal.

8 For the purposes of this section:

9 “Pay-as-you-go” amount for the fiscal year = the appropriations
 10 act appropriation to the Transportation Trust Fund Account + any
 11 appropriations through budget language for transportation systems
 12 ¹**[in governments] improvements¹**- the amount certified, under the
 13 authority’s annual ¹**[capital] financial¹** plan for the fiscal year, to
 14 be required for the payment of debt service on bonds and other
 15 obligations of the authority in that fiscal year. ²

16

17 ²1. The Department of Transportation shall provide access to
 18 comprehensive information related to the Annual Transportation
 19 Capital Program on its website. The information available on the
 20 website shall, include, but not be limited to: the Annual
 21 Transportation Capital Program and Five-Year Capital Plan; the
 22 New Jersey Transportation Trust Fund Authority’s financial plan;
 23 the Statewide Capital Investment Strategy; the State Transportation
 24 Improvement Program; New Jersey Transit Corporation’s capital
 25 lease financing program; information on contractual payments made
 26 to the State or the New Jersey Transportation Trust Fund Authority
 27 by the New Jersey Turnpike Authority to fund the Annual
 28 Transportation Capital Program; information on contractual
 29 payments made to the State or the New Jersey Transportation Trust
 30 Fund Authority by the South Jersey Transportation Authority to
 31 fund the Annual Transportation Capital Program; information on
 32 Port Authority of New York and New Jersey reimbursement for
 33 projects in the Annual Transportation Capital Program; information
 34 on annual federal reimbursements related to current and prior year
 35 Transportation Capital Program; the use of monies from the General
 36 Fund for the New Jersey Transportation Trust Fund as projected in
 37 the Annual Transportation Capital Program; the Financial Policy
 38 Review Board’s State of the Condition of Transportation Financing
 39 certification and any corrective action plans related thereto; and any

1 other information that the commissioner deems relevant to
2 providing transparency with regard to the Annual Transportation
3 Capital Program and the financing thereof. Information available
4 on the Department's website related to the Annual Transportation
5 Capital Program shall be updated on a regular basis as may be
6 appropriate, but all information shall be reviewed and updated at
7 least annually.²

8
9 ²**[3.]** ² This act shall take effect ²immediately ¹Section 2
10 shall be operative in State Fiscal Years 2012-2013 through 2015-
11 2016 only, and, shall expire on January 1, 2017¹ **]** the first day of
12 the seventh month following enactment².

13

14

15

16

17 Requires Department of Transportation to update and maintain
18 certain information on its website.

ASSEMBLY, No. 3059

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 7, 2012

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

SYNOPSIS

Requires Financial Policy Review Board to issue certain reports and create and maintain website.

CURRENT VERSION OF TEXT

As introduced.



A3059 WISNIEWSKI

2

1 AN ACT concerning the Financial Policy Review Board and
2 amending and supplementing P.L.2006, c.3.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to
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9 6. a. There is hereby created in the Executive Branch of the
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13 IV, paragraph 1 of the New Jersey Constitution, the board is hereby
14 allocated within the Department of Transportation, but,
15 notwithstanding that allocation, the board shall be independent of
16 any supervision or control by the department or by any body or
17 officer thereof. The board is hereby constituted as an
18 instrumentality of the State exercising public and essential
19 governmental functions, and the exercise by the board of the powers
20 conferred by this act shall be deemed and held to be an essential
21 governmental function of the State.

22 The board shall be comprised of five public members with
23 experience in transportation finance and policy. The Governor shall
24 appoint three of the members with the advice and consent of the
25 Senate. The remaining members shall be appointed by the
26 Governor as follows: one upon the joint recommendation of the
27 President of the Senate and the Minority Leader of the Senate, and
28 one upon the joint recommendation of the Speaker of the General
29 Assembly and the Minority **[leader]** Leader of the General
30 Assembly. Each member shall serve for a four-year term and shall
31 serve until the member's successor is appointed and qualified;
32 provided, however, that in order to achieve non-concurrent terms,
33 of the members first appointed pursuant to this section, two
34 members appointed by the Governor shall serve for four years;
35 while the two members appointed upon the joint recommendation of
36 the President of the Senate and the Minority Leader of the Senate
37 and upon the joint recommendation of the Speaker of the General
38 Assembly and the Minority Leader of the General Assembly shall
39 serve for three years each, and the remaining member appointed by
40 the Governor shall serve for two years. The Financial Policy
41 Review Board shall be deemed to be constituted immediately upon
42 appointment and qualification in the manner provided in this section
43 of at least three members.

44 b. The purpose of the board is to assure fiscal discipline
45 through evaluating the financing of transportation and preparing an

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
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1 annual State of Condition of Transportation Financing certification.
2 The certification shall ensure that the financing and expenditures of
3 the New Jersey Transportation Trust Fund Authority (the
4 "authority") adhere to certain standards. The standards are:

5 **【a.】** (1) The bonding limitation as provided in subsection i. of
6 section 9 of P.L.1984, c.73 (C.27:1B-9).

7 **【b.】** (2) For the fiscal year commencing July 1, 2007, the
8 amount expended from the revenues and other funds of the
9 authority for permitted maintenance shall not exceed the amount
10 expended for permitted maintenance in the fiscal year commencing
11 July 1, 2006.

12 **【c.】** (3) The total amount authorized to be appropriated from the
13 revenues and other funds of the authority for project costs shall not
14 exceed \$1,600,000,000 annually.

15 c. Commencing with the fiscal year beginning July 1, 2007, the
16 board shall submit to the Governor, the Legislature, and the
17 commissioner on an annual basis the State of Condition of
18 Transportation Financing certification as to the requirements of
19 subsection a. of this section referencing therein a certification with
20 regard to **【subsections b.】** paragraphs (2) and **【c.】** (3) of subsection
21 b. of this section to the extent feasible, given the other provisions of
22 this section. The certifications shall be based on the board's review
23 of the State's fiscal year final expenditures from the preceding fiscal
24 year, including bonding and expenditures from the annual
25 independent audit of the authority, and the amount of authority
26 funds programmed for permitted maintenance. If the capital
27 program and its financing are found to be in compliance, the first
28 annual certification required by this paragraph shall be submitted by
29 February 1, 2008, after the certification is concurred with by the
30 members of the authority, and by February 1 of each year thereafter.
31 The board shall advise the commissioner and the authority on
32 February 1, 2008 and on each succeeding February 1, if the board
33 finds that the authority is not in compliance with the bonding
34 requirements as provided in subsection a. of the section, and that a
35 corrective action plan is needed. The authority shall submit a
36 corrective action plan that would reduce its future bond sales to
37 offset the amount of excess bonding or to reduce future debt service
38 payments, or both, as the case may be. Upon approval of the
39 corrective action plan by the board, the certification shall be issued
40 with certain conditions. The Annual Transportation Capital
41 Program submitted to the Legislature for the forthcoming year shall
42 be in compliance with the provisions of the corrective action plan.
43 If the board does not approve the corrective action plan, the
44 authority shall submit a financial plan showing bonding only for
45 existing projects, noting that no bonds shall be issued for new
46 projects shown in the department's Annual Transportation Capital
47 Program. The board shall advise the commissioner on February 1,
48 2008 and on each succeeding February 1, if the board finds that the

1 Department of Transportation has exceeded the limitation for the
2 amount of authority funds spent on permitted maintenance pursuant
3 to subsection b. of this section, or for the amount authorized to be
4 appropriated for project costs pursuant to subsection c. of this
5 section and that a corrective action plan is needed. The department
6 shall submit a corrective action plan that would offset the excess
7 amount spent, or the excess amount appropriated, in the prior year
8 with less funding for permitted maintenance or for projects, as the
9 case may be, in the proposed capital budget request. Upon approval
10 of the corrective action plan by the board, a certification as to these
11 matters shall be issued with certain conditions. The Annual
12 Transportation Capital Program submitted to the Legislature for the
13 forthcoming year shall be in compliance with the provisions of the
14 corrective action plan. If the board does not approve the corrective
15 action plan, the authority shall submit a financial plan showing
16 bonding only for existing projects, noting that no bonds shall be
17 issued for new projects shown in the department's Annual
18 Transportation Capital Program.

19 d. In each State fiscal year commencing with fiscal year 2012,
20 the board, in consultation with the department, shall, in addition to
21 submitting the annual State of Condition of Transportation
22 Financing certification, report to the Legislature pursuant to section
23 2 of P.L.1991, c.164 (C.52:14.19.1) on a quarterly basis, detailed
24 information concerning: the authority's capital spending; the New
25 Jersey Transit Corporation's capital lease financing program; the
26 Port Authority of New York and New Jersey's capital spending on
27 projects included in the department's Annual Transportation Capital
28 Program; the New Jersey Turnpike Authority's capital spending and
29 any contractual payments made to the State or the authority by the
30 New Jersey Turnpike Authority; the South Jersey Transportation
31 Authority's capital spending and any contractual payments made to
32 the State or the authority by the South Jersey Transportation
33 Authority; the receipt and expenditure of federal funds included in
34 the department's Annual Transportation Capital Program; the use of
35 monies from the General Fund as projected in the department's
36 Annual Transportation Capital Program; and any other the
37 information that the board deems relevant in providing a financial
38 overview and evaluation of the department's Annual Transportation
39 Capital Program. The quarterly report shall provide the Legislature
40 with the board's assessment of: the current and anticipated ability of
41 the authority to continue to adequately fund the department's
42 Annual Transportation Capital Program; the use of federal capital
43 funds spent on preventive maintenance; the ability of the State to
44 make current and future debt service payments and other
45 expenditures; and whether there is a need to limit bonding.

46 The board shall be entitled to call to its assistance, and avail
47 itself of the services of, such employees of the department, as it
48 may require and as may be made available to it for the purpose of

1 carrying out its duties under this section. The department shall also
 2 provide the board, or any member thereof, with any information a
 3 member deems necessary or useful in carrying out the functions of
 4 the board.

5 The board, with assistance from the department, shall create and
 6 maintain a website on which the quarterly reports issued by the
 7 board shall be posted, and any other information that the board
 8 deems relevant in providing transparency to the financing of the
 9 department’s Annual Transportation Capital Program.
 10 (cf: P.L.2006, c.3, s.6)

11
 12 2. (New section) The Financial Policy Review Board shall, on
 13 or before August 1 of each fiscal year, issue a comparison of the
 14 portion of the appropriation, included in the annual appropriations
 15 act for the fiscal years in which the report is issued, to support the
 16 transportation capital program for that year, that constitutes pay-as-
 17 you-go funding for the program. The report shall take the form of a
 18 chart, based upon the Executive’s capital transportation program
 19 proposal issued in ____ 2010, as follows (\$ in millions):
 20

FY 2012			
	Executive Proposal	Actual	Difference
Pay-as-you-go	\$76.0		
FY 2013			
	Executive Proposal	Actual	Difference
Pay-as-you-go	\$260.6		
FY 2014			
	Executive Proposal	Actual	Difference
Pay-as-you-go	\$374.8		
FY 2015			
	Executive Proposal	Actual	Difference
Pay-as-you-go	\$489.7		
FY 2016			
	Executive Proposal	Actual	Difference
Pay-as-you-go	\$605.2		

21
 22 In each fiscal year, the board shall report the comparison directed to
 23 be made under this section by entering the pay-as-you-go amount
 24 actually included in the appropriations act and the difference
 25 between that amount and the amount set forth in the Executive
 26 proposal.

27 For the purposes of this section:

28 “Pay-as-you-go” amount for the fiscal year = the appropriations
 29 act appropriation to the Transportation Trust Fund Account + any

1 appropriations through budget language for transportation systems
2 in governments - the amount certified, under the authority's annual
3 capital plan for the fiscal year, to be required for the payment of
4 debt service on bonds and other obligations of the authority in that
5 fiscal year.

6

7 3. This act shall take effect immediately.

8

9

10

STATEMENT

11

12 This bill grants the Financial Policy Review Board ("board")
13 additional oversight powers. Specifically, the bill requires the
14 board to report to the Legislature:

15 (1) on an annual basis, detailed schedules of future debt service
16 for each issue of authority debt and any sources of revenue
17 constitutionally dedicated or statutorily allocated to pay that debt;
18 the amount of the General Fund appropriation, in excess of required
19 debt service on bonds of the authority or other obligations issued to
20 support the Transportation Capital Program, as identified by an
21 official of the Executive Branch or projected to be requested in the
22 Executive budget to finance projects for that fiscal year and the
23 amount actually appropriated for those purposes; and the amount, if
24 any, of debt issued during the preceding fiscal year that was
25 approved by the voters of this State through a referendum;

26 (2) on a quarterly basis, detailed information concerning: the
27 New Jersey Transportation Trust Fund Authority's ("authority")
28 capital spending; the New Jersey Transit Corporation's capital lease
29 financing program; the Port Authority of New York and New
30 Jersey's capital spending on projects included in the Department of
31 Transportation's ("department") Annual Transportation Capital
32 Program; the New Jersey Turnpike Authority's capital spending and
33 any contractual payments made by the Turnpike Authority to the
34 State or the authority; South Jersey Transportation Authority's
35 capital spending and any contractual payments made to the State or
36 the authority by the South Jersey Transportation Authority; the
37 receipt and expenditure of federal funds included in the
38 department's Annual Transportation Capital Program; the use of
39 monies from the General Fund as projected in the department's
40 Annual Transportation Capital Program; and any other information
41 that the board deems relevant in providing a financial overview and
42 evaluation of the department's Annual Transportation Capital
43 Program.

44 These reports shall provide the Legislature with the board's
45 assessment of: the current and anticipated ability of the authority to
46 fund the department's Annual Transportation Capital Program; the
47 use of federal capital funds spent on preventive maintenance; the
48 ability of the State to make current and future debt service

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7

1 payments and other expenditures; and whether there is a need to
2 limit bonding.

3 Finally, the bill requires the board, with assistance from the
4 department, to create and maintain a website on which the quarterly
5 reports shall be posted.

ASSEMBLY TRANSPORTATION, PUBLIC WORKS AND
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3059

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 2012

The Assembly Transportation, Public Works and Independent Authorities Committee reports favorably and with committee amendment Assembly Bill No. 3059.

As amended and reported, this bill grants the Financial Policy Review Board (“board”) additional oversight powers. Specifically, the bill requires the board to report to the Legislature on a quarterly basis, detailed information concerning: the New Jersey Transportation Trust Fund Authority’s (“authority”) capital spending; the New Jersey Transit Corporation’s capital lease financing program; the Port Authority of New York and New Jersey’s capital spending on projects included in the Department of Transportation’s (“department”) Annual Transportation Capital Program; the New Jersey Turnpike Authority’s capital spending and any contractual payments made by the Turnpike Authority to the State or the authority; South Jersey Transportation Authority’s capital spending and any contractual payments made to the State or the authority by the South Jersey Transportation Authority; the receipt and expenditure of federal funds included in the department’s Annual Transportation Capital Program; the use of monies from the General Fund as projected in the department’s Annual Transportation Capital Program; and any other information that the board deems relevant in providing a financial overview and evaluation of the department’s Annual Transportation Capital Program.

These reports shall provide the Legislature with the board’s assessment of: the current and anticipated ability of the authority to fund the department’s Annual Transportation Capital Program; the use of federal capital funds spent on preventive maintenance; the ability of the State to make current and future debt service payments and other expenditures; and whether there is a need to limit bonding.

The board shall also annually issue, on or before August 1st of each year, a comparison between the pay-as-you-go funding proposed by the Executive Branch in its current five year transportation capital plan and the amount actually provided in the annual appropriations act. “Pay-as-you-go” funding is defined as the total appropriation to the

authority minus the amount of required annual debt service as certified by the authority in its annual financial plan.

Finally, the bill requires the board, with assistance from the department, to create and maintain a website on which the quarterly reports shall be posted.

COMMITTEE AMENDMENTS:

The committee amended the bill to correct the name of the Executive Branch's five-year transportation capital plan and the issuance date of that plan. The committee also corrected the name of the authority's annual financial plan.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3059

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 2013

The Senate Transportation Committee reports favorably Assembly Bill No. 3059 (1R).

As reported, this bill grants the Financial Policy Review Board (board) additional oversight powers. Specifically, the bill requires the board to report to the Legislature on a quarterly basis, detailed information concerning: the New Jersey Transportation Trust Fund Authority's (authority) capital spending; the New Jersey Transit Corporation's capital lease financing program; the Port Authority of New York and New Jersey's capital spending on projects included in the Department of Transportation's (department) Annual Transportation Capital Program; the New Jersey Turnpike Authority's capital spending and any contractual payments made by the Turnpike Authority to the State or the authority; the South Jersey Transportation Authority's capital spending and any contractual payments made to the State or the authority by the South Jersey Transportation Authority; the receipt and expenditure of federal funds included in the department's Annual Transportation Capital Program; the use of monies from the General Fund as projected in the department's Annual Transportation Capital Program; and any other information that the board deems relevant in providing a financial overview and evaluation of the department's Annual Transportation Capital Program.

These reports shall provide the Legislature with the board's assessment of: the current and anticipated ability of the authority to fund the department's Annual Transportation Capital Program; the use of federal capital funds spent on preventive maintenance; the ability of the State to make current and future debt service payments and other expenditures; and whether there is a need to limit bonding.

The board shall also issue, on or before August 1st of each year through the 2015-2016 fiscal year, a comparison between the pay-as-you-go funding proposed by the Executive Branch in its current five year transportation capital plan and the amount actually provided in the annual appropriations act. "Pay-as-you-go" funding is defined as the total appropriation to the authority minus the amount of required annual debt service as certified by the authority in its annual financial plan.

Finally, the bill requires the board, with assistance from the department, to create and maintain a website on which the quarterly reports shall be posted.

Assembly Bill No. 3059 (1R) is identical to Senate Bill No. 2108, which was also reported by the committee on this day.

SENATE, No. 2108

STATE OF NEW JERSEY
215th LEGISLATURE

INTRODUCED JUNE 28, 2012

Sponsored by:

Senator ROBERT M. GORDON

District 38 (Bergen and Passaic)

SYNOPSIS

Requires Financial Policy Review Board to issue certain reports and create and maintain website.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning the Financial Policy Review Board and
2 amending and supplementing P.L.2006, c.3.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 6 of P.L.2006, c.3 (C.27:1B-22.2) is amended to
8 read as follows:

9 6. a. There is hereby created in the Executive Branch of the
10 State Government, a body corporate and politic, with corporate
11 succession, to be known as the Financial Policy Review Board. For
12 the purpose of complying with the provisions of Article V, Section
13 IV, paragraph 1 of the New Jersey Constitution, the board is hereby
14 allocated within the Department of Transportation, but,
15 notwithstanding that allocation, the board shall be independent of
16 any supervision or control by the department or by any body or
17 officer thereof. The board is hereby constituted as an
18 instrumentality of the State exercising public and essential
19 governmental functions, and the exercise by the board of the powers
20 conferred by this act shall be deemed and held to be an essential
21 governmental function of the State.

22 The board shall be comprised of five public members with
23 experience in transportation finance and policy. The Governor shall
24 appoint three of the members with the advice and consent of the
25 Senate. The remaining members shall be appointed by the
26 Governor as follows: one upon the joint recommendation of the
27 President of the Senate and the Minority Leader of the Senate, and
28 one upon the joint recommendation of the Speaker of the General
29 Assembly and the Minority **[leader]** Leader of the General
30 Assembly. Each member shall serve for a four-year term and shall
31 serve until the member's successor is appointed and qualified;
32 provided, however, that in order to achieve non-concurrent terms,
33 of the members first appointed pursuant to this section, two
34 members appointed by the Governor shall serve for four years;
35 while the two members appointed upon the joint recommendation of
36 the President of the Senate and the Minority Leader of the Senate
37 and upon the joint recommendation of the Speaker of the General
38 Assembly and the Minority Leader of the General Assembly shall
39 serve for three years each, and the remaining member appointed by
40 the Governor shall serve for two years. The Financial Policy
41 Review Board shall be deemed to be constituted immediately upon
42 appointment and qualification in the manner provided in this section
43 of at least three members.

44 b. The purpose of the board is to assure fiscal discipline
45 through evaluating the financing of transportation and preparing an

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 annual State of Condition of Transportation Financing certification.
2 The certification shall ensure that the financing and expenditures of
3 the New Jersey Transportation Trust Fund Authority (the
4 "authority") adhere to certain standards. The standards are:

5 **【a.】** (1) The bonding limitation as provided in subsection i. of
6 section 9 of P.L.1984, c.73 (C.27:1B-9).

7 **【b.】** (2) For the fiscal year commencing July 1, 2007, the
8 amount expended from the revenues and other funds of the
9 authority for permitted maintenance shall not exceed the amount
10 expended for permitted maintenance in the fiscal year commencing
11 July 1, 2006.

12 **【c.】** (3) The total amount authorized to be appropriated from the
13 revenues and other funds of the authority for project costs shall not
14 exceed \$1,600,000,000 annually.

15 c. Commencing with the fiscal year beginning July 1, 2007, the
16 board shall submit to the Governor, the Legislature, and the
17 commissioner on an annual basis the State of Condition of
18 Transportation Financing certification as to the requirements of
19 subsection a. of this section referencing therein a certification with
20 regard to **【subsections b.】** paragraphs (2) and **【c.】** (3) of subsection
21 b. of this section to the extent feasible, given the other provisions of
22 this section. The certifications shall be based on the board's review
23 of the State's fiscal year final expenditures from the preceding fiscal
24 year, including bonding and expenditures from the annual
25 independent audit of the authority, and the amount of authority
26 funds programmed for permitted maintenance. If the capital
27 program and its financing are found to be in compliance, the first
28 annual certification required by this paragraph shall be submitted by
29 February 1, 2008, after the certification is concurred with by the
30 members of the authority, and by February 1 of each year thereafter.
31 The board shall advise the commissioner and the authority on
32 February 1, 2008 and on each succeeding February 1, if the board
33 finds that the authority is not in compliance with the bonding
34 requirements as provided in subsection a. of the section, and that a
35 corrective action plan is needed. The authority shall submit a
36 corrective action plan that would reduce its future bond sales to
37 offset the amount of excess bonding or to reduce future debt service
38 payments, or both, as the case may be. Upon approval of the
39 corrective action plan by the board, the certification shall be issued
40 with certain conditions. The Annual Transportation Capital
41 Program submitted to the Legislature for the forthcoming year shall
42 be in compliance with the provisions of the corrective action plan.
43 If the board does not approve the corrective action plan, the
44 authority shall submit a financial plan showing bonding only for
45 existing projects, noting that no bonds shall be issued for new
46 projects shown in the department's Annual Transportation Capital
47 Program. The board shall advise the commissioner on February 1,
48 2008 and on each succeeding February 1, if the board finds that the

1 Department of Transportation has exceeded the limitation for the
2 amount of authority funds spent on permitted maintenance pursuant
3 to subsection b. of this section, or for the amount authorized to be
4 appropriated for project costs pursuant to subsection c. of this
5 section and that a corrective action plan is needed. The department
6 shall submit a corrective action plan that would offset the excess
7 amount spent, or the excess amount appropriated, in the prior year
8 with less funding for permitted maintenance or for projects, as the
9 case may be, in the proposed capital budget request. Upon approval
10 of the corrective action plan by the board, a certification as to these
11 matters shall be issued with certain conditions. The Annual
12 Transportation Capital Program submitted to the Legislature for the
13 forthcoming year shall be in compliance with the provisions of the
14 corrective action plan. If the board does not approve the corrective
15 action plan, the authority shall submit a financial plan showing
16 bonding only for existing projects, noting that no bonds shall be
17 issued for new projects shown in the department's Annual
18 Transportation Capital Program.

19 d. In each State fiscal year commencing with fiscal year 2012,
20 the board, in consultation with the department, shall, in addition to
21 submitting the annual State of Condition of Transportation
22 Financing certification, report to the Legislature pursuant to section
23 2 of P.L.1991, c.164 (C.52:14.19.1) on a quarterly basis, detailed
24 information concerning: the authority's capital spending; the New
25 Jersey Transit Corporation's capital lease financing program; the
26 Port Authority of New York and New Jersey's capital spending on
27 projects included in the department's Annual Transportation Capital
28 Program; the New Jersey Turnpike Authority's capital spending and
29 any contractual payments made to the State or the authority by the
30 New Jersey Turnpike Authority; the South Jersey Transportation
31 Authority's capital spending and any contractual payments made to
32 the State or the authority by the South Jersey Transportation
33 Authority; the receipt and expenditure of federal funds included in
34 the department's Annual Transportation Capital Program; the use of
35 monies from the General Fund as projected in the department's
36 Annual Transportation Capital Program; and any other information
37 that the board deems relevant in providing a financial overview and
38 evaluation of the department's Annual Transportation Capital
39 Program. The quarterly report shall provide the Legislature with
40 the board's assessment of: the current and anticipated ability of the
41 authority to continue to adequately fund the department's Annual
42 Transportation Capital Program; the use of federal capital funds
43 spent on preventive maintenance; the ability of the State to make
44 current and future debt service payments and other expenditures;
45 and whether there is a need to limit bonding.

46 The board shall be entitled to call to its assistance, and avail
47 itself of the services of, such employees of the department, as it
48 may require and as may be made available to it for the purpose of

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1 carrying out its duties under this section. The department shall also
 2 provide the board, or any member thereof, with any information a
 3 member deems necessary or useful in carrying out the functions of
 4 the board.

5 The board, with assistance from the department, shall create and
 6 maintain a website on which the quarterly reports issued by the
 7 board shall be posted, together with any other information that the
 8 board deems relevant in providing transparency to the financing of
 9 the department's Annual Transportation Capital Program.

10 (cf: P.L.2006, c.3, s.6)

11

12 2. (New section) The Financial Policy Review Board shall, on
 13 or before August 1 of each State fiscal year 2012-2013 through
 14 2015-2016, issue a report comparing the amount of pay-as-you-go
 15 funding to support the annual transportation capital program as
 16 proposed by the Executive in January 2011 and the portion of the
 17 actual appropriation, included in the annual appropriations act for
 18 the fiscal years covered by the report, to support the transportation
 19 capital program for those years, that constitutes pay-as-you-go
 20 funding for the program. The report shall take the form of a chart,
 21 based upon the Executive's five-year transportation capital plan
 22 proposal issued in January 2011, as follows (\$ in millions):

23

	FY 2012 Executive Proposal	Actual	Difference
Pay-as-you-go	\$76.0		
	FY 2013 Executive Proposal	Actual	Difference
Pay-as-you-go	\$260.6		
	FY 2014 Executive Proposal	Actual	Difference
Pay-as-you-go	\$374.8		
	FY 2015 Executive Proposal	Actual	Difference
Pay-as-you-go	\$489.7		
	FY 2016 Executive Proposal	Actual	Difference
Pay-as-you-go	\$605.2		

24

25 In each fiscal year, the board shall report the comparison directed to
 26 be made under this section by entering the pay-as-you-go amount
 27 actually included in the appropriations act for the fiscal year in
 28 which the report is to be issued and each previous fiscal year

1 beginning with fiscal year 2011-2012 and the difference between
2 that amount and the amount set forth in the Executive proposal.

3 For the purposes of this section:

4 “Pay-as-you-go” amount for the fiscal year = the appropriations
5 act appropriation to the Transportation Trust Fund Account + any
6 appropriations through budget language for transportation systems
7 improvements - the amount certified, under the authority’s annual
8 financial plan for the fiscal year, to be required for the payment of
9 debt service on bonds and other obligations of the authority in that
10 fiscal year.

11

12 3. This act shall take effect immediately. Section 2 shall be
13 operative in State Fiscal Years 2012-2013 through 2015-2016 only,
14 and, shall expire on January 1, 2017.

15

16

17

STATEMENT

18

19 This bill grants the Financial Policy Review Board (“board”)
20 additional oversight powers. Specifically, the bill requires the
21 board to report to the Legislature on a quarterly basis, detailed
22 information concerning: the New Jersey Transportation Trust Fund
23 Authority’s (“authority”) capital spending; the New Jersey Transit
24 Corporation’s capital lease financing program; the Port Authority of
25 New York and New Jersey’s capital spending on projects included
26 in the Department of Transportation’s (“department”) Annual
27 Transportation Capital Program; the New Jersey Turnpike
28 Authority’s capital spending and any contractual payments made by
29 the Turnpike Authority to the State or the authority; South Jersey
30 Transportation Authority’s capital spending and any contractual
31 payments made to the State or the authority by the South Jersey
32 Transportation Authority; the receipt and expenditure of federal
33 funds included in the department’s Annual Transportation Capital
34 Program; the use of monies from the General Fund as projected in
35 the department’s Annual Transportation Capital Program; and any
36 other information that the board deems relevant in providing a
37 financial overview and evaluation of the department’s Annual
38 Transportation Capital Program.

39 These reports shall provide the Legislature with the board’s
40 assessment of: the current and anticipated ability of the authority to
41 fund the department’s Annual Transportation Capital Program; the
42 use of federal capital funds spent on preventive maintenance; the
43 ability of the State to make current and future debt service
44 payments and other expenditures; and whether there is a need to
45 limit bonding.

46 The board shall also annually issue, on or before August 1st of
47 each year, a comparison between the pay-as-you-go funding
48 proposed by the Executive Branch in its current five year

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7

1 transportation capital plan and the amount actually provided in the
2 annual appropriations act. “Pay-as-you-go” funding is defined as
3 the total appropriation to the authority minus the amount of required
4 annual debt service as certified by the authority in its annual
5 financial plan.

6 Finally, the bill requires the board, with assistance from the
7 department, to create and maintain a website on which the quarterly
8 reports shall be posted.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 2108

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 2013

The Senate Transportation Committee reports favorably Senate Bill No. 2108.

As reported, this bill grants the Financial Policy Review Board (board) additional oversight powers. Specifically, the bill requires the board to report to the Legislature on a quarterly basis, detailed information concerning: the New Jersey Transportation Trust Fund Authority's (authority) capital spending; the New Jersey Transit Corporation's capital lease financing program; the Port Authority of New York and New Jersey's capital spending on projects included in the Department of Transportation's (department) Annual Transportation Capital Program; the New Jersey Turnpike Authority's capital spending and any contractual payments made by the Turnpike Authority to the State or the authority; the South Jersey Transportation Authority's capital spending and any contractual payments made to the State or the authority by the South Jersey Transportation Authority; the receipt and expenditure of federal funds included in the department's Annual Transportation Capital Program; the use of monies from the General Fund as projected in the department's Annual Transportation Capital Program; and any other information that the board deems relevant in providing a financial overview and evaluation of the department's Annual Transportation Capital Program.

These reports shall provide the Legislature with the board's assessment of: the current and anticipated ability of the authority to fund the department's Annual Transportation Capital Program; the use of federal capital funds spent on preventive maintenance; the ability of the State to make current and future debt service payments and other expenditures; and whether there is a need to limit bonding.

The board shall also issue, on or before August 1st of each year through the 2015-2016 fiscal year, a comparison between the pay-as-you-go funding proposed by the Executive Branch in its current five year transportation capital plan and the amount actually provided in the annual appropriations act. "Pay-as-you-go" funding is defined as the total appropriation to the authority minus the amount of required annual debt service as certified by the authority in its annual financial plan.

Finally, the bill requires the board, with assistance from the department, to create and maintain a website on which the quarterly reports shall be posted.

Senate Bill No. 2108 is identical to Assembly Bill No. 3059 (1R), which was also reported by the committee on this day.

ASSEMBLY BILL NO. 3059
(First Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3059 (First Reprint) with my recommendations.

This bill is the Legislature's second attempt to expand the duties of the Financial Policy Review Board (the "Board") with respect to the State's Annual Capital Transportation Program (the "Program"), and incorporates the provisions of Assembly Bill No. 2288, which I conditionally approved.

As I stated in the conditional approval of Assembly Bill No. 2288, I believe expansion of the Board's oversight responsibility is unnecessary as the Department of Transportation engages in a constant, ongoing review of the Program, and the Legislature reviews the Program each year as part of the budget process. I believe that the Board best serves the taxpayers in its fundamental role as an independent entity that annually reviews and certifies the State's transportation financing. Altering those duties would only impede the Board's ability to discharge that critically important task.

Moreover, the majority of information required under the bill is currently available on the YourMoneyNJ.com and Department of Transportation websites. My Administration is committed to transparent spending of taxpayer dollars and, to that end, established these sites to provide taxpayers with tools to understand public finances and make government accountable. Requiring the Board to establish an additional website to provide this same information is not an effective use of public funds. However, as I recommended previously, in the interest of ensuring that information on State's Annual Capital Transportation Program remains available to taxpayers in future administrations, the bill should be amended to statutorily

require the Department of Transportation to include information on the Program on its website.

Accordingly, I recommend that the bill be amended so that it maintains the Board's current responsibilities and codifies into law the transparency my Administration has brought to the Program.

Therefore, I herewith return Assembly Bill No. 3059 (First Reprint) and recommend that it be amended as follows:

Page 2, Title, Lines 1-2:

Delete "Financial Policy Review Board and amending and supplementing P.L.2006, c.3" and insert "Annual Transportation Capital Program and supplementing Title 27 of the Revised Statutes"

Page 2, Line 6:

Insert new section 1: "1. The Department of Transportation shall provide access to comprehensive information related to the Annual Transportation Capital Program on its website. The information available on the website shall, include, but not be limited to: the Annual Transportation Capital Program and Five-Year Capital Plan; the New Jersey Transportation Trust Fund Authority's financial plan; the Statewide Capital Investment Strategy, the State Transportation Improvement Program; New Jersey Transit Corporation's capital lease financing program; information on contractual payments made to the State or the New Jersey Transportation Trust Fund Authority by the New Jersey Turnpike Authority to fund the Annual Transportation Capital Program; information on contractual payments made to the State or the New Jersey Transportation Trust Fund Authority by the South Jersey Transportation Authority to fund the Annual Transportation Capital Program; information on Port Authority of New York and New Jersey reimbursement for projects in the Annual Transportation Capital Program; information on annual federal reimbursements related to current and prior year Transportation Capital

Program; the use of monies from the General Fund for the New Jersey Transportation Trust Fund as projected in the Annual Transportation Capital Program; the Financial Policy Review Board's State of the Condition of Transportation Financing certification and any corrective active plans related thereto; and any other information that the commissioner deems relevant to providing transparency with regard to the Annual Capital Transportation Program and the financing thereof. Information available on the Department's website related to the Annual Transportation Capital Program shall be updated on a regular basis as may be appropriate, but all information shall be reviewed and updated at least annually."

Page 2, Section 1, Lines 7-45: Delete in their entirety

Page 3, Section 1, Lines 1-48: Delete in their entirety

Page 4, Section 1, Lines 1-48: Delete in their entirety

Page 5, Section 1, Lines 1-11: Delete in their entirety

Page 5, Section 2, Lines 13-27: Delete in their entirety

Page 6, Section 2, Lines 1-14: Delete in their entirety

Page 6, Section 3, Line 16: Delete "immediately Section 2 shall be" and insert "the first day of the seventh month following enactment."

Page 6, Section 3, Lines 17-18: Delete in their entirety

Respectfully,

[seal]

/s/ Chris Christie

Governor

Attest:

/s/ Charles B. McKenna

Chief Counsel to the Governor