

FLOOR AMENDMENT STATEMENT:

No

LEGISLATIVE FISCAL ESTIMATE:

Yes 5/28/2019

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

"New law to improve costs of Transportation Trust Fund projects," NJBIZ, July 24, 2019

RWH/CL

P.L. 2019, CHAPTER 196, *approved July 23, 2019*
Senate, No. 876 (*Third Reprint*)

1 **AN ACT** concerning the administration of Transportation Trust Fund
2 projects supplementing Title 27 of the Revised Statutes, and
3 amending P.L.1984, c.73.

4

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

7

8 1. (New section) a. For each capital project funded by the
9 authority, including transportation projects and public
10 transportation projects, the authority, in conjunction with the
11 department and the New Jersey Transit Corporation, may contract
12 with consulting engineers to prepare an estimated project schedule
13 (1) for the acquisition of rights-of-way and (2) for the construction
14 of each project. The consulting engineer shall also estimate the
15 amounts which shall be required during each six-month period for
16 estimated costs of construction of each project. Thereafter, at least
17 once in each six-month period during the construction of a project,
18 the authority may require the consulting engineers to prepare a
19 progress report updating the project schedule for the acquisition of
20 real property for each project and construction progress, which may
21 include comparisons of the actual time elapsed, actual costs,
22 estimated time to completion, and estimated total cost between the
23 most recent six-month period and the same actual and estimated
24 times and costs in prior progress reports. Copies of each progress
25 report shall be maintained on the authority's website and shall be
26 submitted to the Governor and, pursuant to section 2 of P.L.1991,
27 c.164 (C.52:14-19.1), to the Legislature.

28 b. For funds provided by the authority to the department or the
29 New Jersey Transit Corporation for non-project costs, the authority
30 may contract with an outside consultant to prepare a report which
31 tracks, according to State capital program line items in each annual
32 appropriations act, an estimated schedule for the expenditure of
33 appropriated funds, and a description of how funds are being
34 expended, including, but not limited to, contracts to be paid from
35 each capital program line item, the amount of staff or outside
36 consultants to be paid from each capital program line item, and
37 measurable policy outcomes relating to each capital program line

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:

¹Senate floor amendments adopted December 17, 2018.

²Senate floor amendments adopted January 31, 2019.

³Assembly AAP committee amendments adopted June 18, 2019.

1 item which shall be required during each six-month period until an
2 appropriation has been fully expended. Once in each six-month
3 period in which the State appropriations of non-project
4 transportation capital funds in a given fiscal year have not been
5 fully expended, including if that period extends beyond the fiscal
6 year of the original appropriation, the authority may cause the
7 outside consultant to prepare a progress report covering the
8 expenditure of appropriated funds and any progress in
9 accomplishing the purpose of given appropriations, which may
10 include comparisons of the actual time elapsed since the initial
11 appropriation, actual expenditures from the appropriation, estimated
12 time to completely expend appropriated funds, and estimated
13 measurable outcomes for the entire appropriation between the most
14 recent six-month period and the same actual and estimated times
15 and outcomes in prior progress reports. Copies of each progress
16 report shall be maintained on the authority's website and shall be
17 submitted to the Governor and, pursuant to section 2 of P.L.1991,
18 c.164 (C.52:14-19.1), to the Legislature.

19

20 2. (New section) a. In order to ensure the expeditious
21 completion of public highway projects, the department shall
22 coordinate with municipalities ², the South Jersey Transportation
23 Authority,² and counties to expedite project delivery.

24 b. The department shall develop, in conjunction with county
25 officials, an annual highway project priority list for each county.
26 The department shall present to county officials in each county a
27 candidate list of State highway pavement areas rated below
28 acceptable condition and structurally deficient State bridges located
29 in the county. The county may select highway pavement areas and
30 bridges from the candidate list that it deems to be priority repairs
31 ³**[to be placed on the highway project priority list]**³ and submit the
32 highway project priority list to the Commissioner of Transportation
33 for the commissioner's consideration for inclusion in the
34 department's capital program. Once a project from the highway
35 project priority list has been added to the capital program, the
36 department shall have three fiscal years to advance that project to
37 the construction phase of work subject to the availability of funds.

38 c. ³**[A county may add projects to the highway project priority**
39 **list each fiscal year with an estimated total cost that is equivalent to**
40 **or less than the amount that is to be granted to that county in that**
41 **fiscal year from the formula established in subsection e. of section**
42 **25 of P.L.1984, c.73 (C.27:1B-25) through the Local County Aid**
43 **Program.**

44 d. ³**[** If a project on the highway project priority list that has
45 been placed on the capital program by the commissioner is not
46 started within three years of that project's inclusion in the capital

1 program, a county may notify the department that the county
2 intends to take over the project.

3 ³[e.] d.³ Once the department has been notified of a county's
4 intent to take over a project on the highway project priority list, the
5 department and notifying county shall confer regarding whether the
6 decision to allow the county ²or the South Jersey Transportation
7 Authority² to take over the project is cost-effective and will
8 expedite completion of the project. The department shall have the
9 discretion to determine whether to transfer the project to the county
10 ²or the South Jersey Transportation Authority² based on whether
11 the transfer is cost-effective and will expedite completion of the
12 project. If the department agrees to transfer the project, the
13 department shall have 90 days from the date it agrees to the transfer
14 to transfer all aspects of the project to the engineering department
15 of the notifying county ²or the South Jersey Transportation
16 Authority².

17 ³[f.] e.³ The costs of any project transferred to a county ²or to
18 the South Jersey Transportation Authority² pursuant to this section
19 shall be fully funded by the department on a reimbursement basis
20 ³until such costs exceed the most recent estimated cost for the
21 project developed as part of the project schedule pursuant to
22 subsection a. of section 1 of P.L. , c. (C.) (pending before
23 the Legislature as this bill) or, if unavailable, the estimated cost
24 developed with the initial project schedule³. If the cost of the
25 project exceeds already existing capital program appropriations for
26 that project, the department shall ³[include in the capital program
27 any additional amounts needed to complete the project] deduct the
28 necessary amounts from the amounts granted to that county from
29 the formula established in subsection e. of section 25 of P.L.1984,
30 c.73 (C.27:1B-25) through the Local County Aid Program for the
31 fiscal year in which the costs arise or for one or more future fiscal
32 years as determined by, and at the discretion of, the commissioner³.

33 ³[g. The highway project priority list shall contain only State
34 transportation projects. If a State project on the highway project
35 priority list is transferred to a county ²or the South Jersey
36 Transportation Authority² pursuant to the provisions of this section,
37 completion of the project shall continue to be funded through
38 department capital program appropriations. Grant funds awarded
39 through the Local Aid Program pursuant to section 25 of P.L.1984,
40 c.73 (C.27:1B-25) shall not be used on any project on the highway
41 project priority list.

42 h.] f.³ If the department and a county agree that a county ²or the
43 South Jersey Transportation Authority² is better suited to advance a
44 project on the highway project priority list, the department may also
45 enter into an agreement with the county ²or the South Jersey
46 Transportation Authority² to transfer a project to the county ²or the

1 South Jersey Transportation Authority² notwithstanding whether the
2 project has been in the capital program for less than three years.

3 ³~~[i.] g.~~³ All transportation projects included in the highway
4 project priority list and transferred by the department pursuant to
5 subsection ³~~[e.] d.~~³ or subsection ³~~[h.] f.~~³ of this section shall
6 comply with section 24 of P.L.1984, c.73 (C.27:1B-24), chapters 32
7 through 35 of Title 52 of the Revised Statutes, and any other
8 provision of law concerning the State's public bidding requirements
9 and business set-aside programs.

10

11 3. (New section) a. As used in this section:

12 "Project bundle" means any group of transportation projects that
13 are combined into a single design contract under the design
14 bundling program.

15 "Transportation Project Design Bundling Program" or "design
16 bundling program" means a department process where multiple
17 transportation project design contracts, funded in whole or in part
18 by the Transportation Trust Fund, are combined into a single
19 transportation project design contract for the purposes of saving the
20 department time or money. The "Transportation Project Design
21 Bundling Program" or "design bundling program" shall not include
22 any construction contracts among the transportation projects in the
23 program.

24 b. The Transportation Project Design Bundling Program is
25 hereby established within the department to save time and money
26 on transportation projects by allowing multiple transportation
27 projects to be combined into a single design contract.

28 c. All transportation projects, including but not limited to,
29 transportation projects contained in the department's bridge
30 inspection, safety, and pavement asset management systems, and
31 any transportation assets identified by the department as being in
32 need of repair, may be included in the design bundling program if
33 the projects meet all of the following criteria: (1) the transportation
34 projects are similar in complexity, in the same capital investment
35 strategy (CIS) asset category, or are in reasonable geographical
36 proximity to one another; (2) the transportation projects are of
37 similar size or design; (3) the transportation projects will not
38 require a more stringent environmental permitting process or
39 increase the environmental review time as a result of their inclusion
40 in the design bundling program; and (4) the inclusion of
41 transportation projects in the design bundling program will provide
42 the department with cost and time savings.

43 d. The commissioner ³~~[shall]~~ may³ develop ³~~[the]~~ a³ design
44 bundling program ³~~[with]~~ . In the event that such a program is
45 developed,³ the³ program shall include the³ following minimum
46 requirements:

1 (1) The department shall annually develop a preliminary list of
2 transportation projects that are intended to be included in project
3 design bundles. The department shall identify project design
4 bundles for different regions of the State for geographically
5 combinable transportation projects and project design bundles on a
6 Statewide basis for similar transportation project types and similar
7 CIS asset categories. The preliminary list shall include all
8 transportation projects meeting the eligibility requirements
9 established in subsection c. of this section;

10 (2) The department shall notify any local government entity that
11 is substantially impacted by the project design bundles
12 recommended for inclusion in the design bundling program. The
13 department shall also distribute the preliminary list to the North
14 Jersey Transportation Planning Authority, the South Jersey
15 Transportation Planning Organization, and the Delaware Valley
16 Regional Planning Commission; and

17 (3) Once the department has obtained all of the necessary
18 approvals for transportation projects in the design bundle from
19 applicable governmental entities, the department shall annually,
20 publicly issue a final list of transportation design projects to be
21 included in the design bundling program, prior to issuing the
22 respective contracts for project design bundles.

23 e. Notwithstanding any other law to the contrary,
24 transportation design projects determined to be eligible and
25 recommended for inclusion in the design bundling program by the
26 department shall not require specific itemization in a capital budget,
27 but any capital funds expended on the design bundling program
28 shall be provided for in a single capital program line item for each
29 project design bundle under the design bundling program.

30 f. Any transportation projects included in the design bundling
31 program established pursuant to subsection b. of this section shall
32 comply with section 24 of P.L.1984, c.73 (C.27:1B-24), chapters 32
33 through 35 of Title 52 of the Revised Statutes, and any other
34 provision of law concerning the State's public bidding requirements
35 and business set-aside programs.

36
37 4. (New section) a. There is hereby established within the
38 Department of Transportation, the New Jersey Transportation
39 Research Center, hereinafter referred to as the center.

40 b. The center shall be located within the Department of
41 Transportation, and the center shall award research contracts to
42 New Jersey public research institutions of higher education to
43 conduct the research activities of the center. The award of those
44 research contracts shall be subject to all relevant existing State and
45 federally established public bidding regulations and processes.

46 c. The center shall identify specific areas of transportation
47 expertise for New Jersey public research institutions of higher
48 education, where all research undertaken by the center in that area

1 of expertise is to occur, and shall be subject to all relevant existing
2 State and federally established public bidding regulations and
3 processes.

4 d. The Commissioner of Transportation shall appoint a director
5 for the center. The duties of the director shall include but not be
6 limited to:

7 (1) Administering and operating the center;

8 (2) Overseeing research undertaken by the center;

9 (3) Establishing and maintaining relationships with New Jersey
10 public research institutions of higher education;

11 (4) Supporting New Jersey public research institutions of higher
12 education in obtaining and maintaining University Transportation
13 Center status under the United States Department of Transportation
14 Federal Highway Administration's University Transportation
15 Center Program; and

16 (5) Authorizing competitive bidding for research contracts to
17 include entities in addition to New Jersey public research
18 institutions of higher education, notwithstanding the provisions of
19 subsections b. and c. of this section to the contrary, after making a
20 written determination that the department stands to benefit from
21 additional competition in terms of quality of work product,
22 timeliness of work product delivery, or availability of expertise in
23 one or more specific transportation areas.

24 e. For purposes of this section, "entities" means an entity that
25 is organized as a non-profit organization. "Entities" shall not
26 include a municipal planning organization or a municipal planning
27 organization-related entity, regardless of whether it is organized as
28 a non-profit organization.

29

30 5. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to
31 read as follows:

32 21. a. There is hereby established a separate fund entitled
33 "Special Transportation Fund." This fund shall be maintained by the
34 State Treasurer and may be held in depositories as may be selected
35 by the treasurer and invested and reinvested as other funds in the
36 custody of the treasurer, in the manner provided by law. The
37 commissioner may from time to time (but not more frequently than
38 monthly) certify to the authority an amount necessary to fund
39 payments made, or anticipated to be made by or on behalf of the
40 department, from appropriations established for or made to the
41 department from revenues or other funds of the authority. The
42 commissioner's certification shall be deemed conclusive for
43 purposes of the act. The authority shall, within 15 days of receipt
44 of the certificate, transfer from available funds of the authority to
45 the treasurer for deposit in the Special Transportation Fund the
46 amount certified by the commissioner, provided that all funds
47 transferred shall only be expended by the department by project

1 pursuant to appropriations made from time to time by the
2 Legislature for the purposes of the act.

3 b. The department shall not expend any money except as
4 appropriated by law. Commencing with appropriations for the fiscal
5 years beginning on July 1, 1988, the department shall not expend
6 any funds, other than for permitted maintenance, except as are
7 appropriated by specific projects identified by a description of the
8 projects, the county or counties within which they are located, and
9 amounts to be expended on each project, in the annual
10 appropriations act. Funds expended for permitted maintenance may
11 be appropriated as one item of appropriation and subject to
12 allocation at the commissioner's discretion.

13 c. No funds appropriated, authorized, or expended pursuant to
14 this act shall be used to finance the resurfacing of highways by
15 department personnel, where that resurfacing would require the use
16 of more than 100,000 tons of bituminous concrete for that purpose
17 in any calendar year, except that the commissioner may waive this
18 provision when the commissioner determines the existence of
19 emergency conditions requiring the use of department personnel for
20 the resurfacing of highways, after the department has effectively
21 reached the 100,000 ton limit.

22 d. In order to provide the department with flexibility in
23 administering the specific appropriations by project identified in the
24 annual appropriations act, the commissioner may transfer a part of
25 any item to any other item subject to the approval of the Director of
26 the Division of Budget and Accounting and of the Joint Budget
27 Oversight Committee or its successor. Upon approval of the
28 director and the committee, the transfer shall take effect.

29 e. Any federal funds which become available to the State for
30 transportation projects which have not been appropriated to the
31 department in the annual appropriations act, shall be deemed
32 appropriated to the department and may, subject to approval by the
33 Joint Budget Oversight Committee and the State Treasurer, be
34 expended for any purpose for which such funds are qualified.

35 f. There shall be no appropriations from the revenues and other
36 funds of the authority for regular and routine maintenance of public
37 highways and components thereof, or operational activities of the
38 department unrelated to the implementation of, and indirect costs
39 associated with, the capital program. The commissioner shall
40 include in his annual budget request sufficient funding to effectuate
41 the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).

42 g. To the extent that salaries or overhead of the department or
43 the New Jersey Transit Corporation are charged to transportation
44 projects, each agency shall keep adequate and truthful personnel
45 records, and time charts to adequately justify each such charge, and
46 shall make those records available to the external auditor to the
47 authority.

1 h. The commissioner shall annually, on or before January 1 of
2 each fiscal year, report to the Governor and the Legislature how
3 much money was expended in the previous fiscal year for salaries
4 and overhead of the department and the New Jersey Transit
5 Corporation. However, the amount expended from the revenues
6 and other funds of the authority for salaries and overhead of the
7 department and the New Jersey Transit Corporation for the fiscal
8 year beginning July 1, 2006 through the fiscal year beginning July
9 1, 2015 shall not exceed 13 percent of the total funds appropriated
10 from the revenues and other nonfederal funds of the authority for
11 those fiscal years, and shall not exceed \$208,000,000 for the fiscal
12 year beginning July 1, 2016 and each fiscal year thereafter.

13 i. No revenues or other funds of the authority shall be
14 expended for emergency response operations, the review of
15 applications for access permits under the State highway access
16 management code and membership fees or other fees connected
17 with membership in TRANSCOM, the Transportation Operations
18 Coordinating Committee.

19 j. Every project in which revenues or other funds of the
20 authority are expended shall be included on a website created by the
21 authority whose exclusive purpose shall be reporting on the status
22 of State and federal projects and serving as a singular location for
23 State and federal public documentation concerning those projects.
24 The website shall document the status of each project, presented in
25 tabular form outlining the budgeted amount, the amount spent and
26 committed, and the amount necessary to complete each project. The
27 website shall include a chart which compares the planned and actual
28 quarterly and cumulative expenditures for each project. The
29 website shall chronicle actions which have a bearing on the
30 progress of projects, including, but not limited to, awards for legal,
31 insurance, and engineering services, environmental review, public
32 involvement and outreach, property acquisitions, and construction
33 contracts. The website shall also include a description of any action
34 by an external regulatory agency such as the Department of
35 Environmental Protection, or any other party, which occurred
36 during the reporting period that affected the cost or timely
37 completion of any project in any manner. Information concerning
38 each project shall be included and updated, at minimum, once per
39 month.

40 k. There shall be a minimum appropriation from the revenues
41 and other funds of the authority of \$25,000,000 each fiscal year,
42 commencing with the fiscal year beginning July 1, 2016 for the
43 design, construction, reconstruction, rehabilitation, land acquisition,
44 and environmental mitigation of freight rail projects that include the
45 following factors: are significant to port commerce connectivity;
46 eliminate rail freight missing links to port facilities; **[or]** upgrade
47 freight rail trackage to a 286,000 pound load carrying capacity; or
48 support a safe, efficient, and effective rail freight system consistent

1 with the commissioner's rail freight authority pursuant to section 2
2 of P.L.1986, c.56 (C.27:1A-5.1). The amount appropriated pursuant
3 to this subsection shall be inclusive of all amounts annually
4 appropriated for the New Jersey Rail Freight Assistance Program.
5 (cf: P.L.2016, c.56, s.4)

6
7 6. The Department of Transportation shall adopt regulations
8 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
9 (C.52:14B-1 et seq.), to effectuate the provisions of
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11
12 ¹7. (New section) The department shall accept new applications
13 for projects that support a safe, efficient , and effective rail freight
14 system consistent with the commissioner's rail freight authority
15 pursuant to section 2 of P.L.1986, c.56 (C.27:1A-5.1), for 60 days
16 following the enactment of P.L. , c. (pending before the
17 legislature as this bill).¹

18
19 ¹[7.] 8.¹ This act shall take effect immediately.

20
21
22 _____
23
24 Revises process for development and administration of
25 Transportation Trust Fund projects and capital program oversight;
26 establishes transportation research center.

SENATE, No. 876

STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

SYNOPSIS

Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



S876 SWEENEY, OROHO

2

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45 expenditure of appropriated funds and any progress in

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13 completion of public highway projects, the department shall
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17 officials, an annual highway project priority list for each county.
18 The department shall present to county officials in each county a
19 candidate list of State highway pavement areas rated below
20 acceptable condition and structurally deficient State bridges located
21 in the county. The county may select highway pavement areas and
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23 be placed on the highway project priority list and submit the
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28 fiscal years to advance that project to the construction phase of
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30 c. A county may add projects to the highway project priority list
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32 less than the amount that is to be granted to that county in that fiscal
33 year from the formula established in subsection e. of section 25 of
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37 placed on the capital program by the commissioner is not started
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6 the projects meet all of the following criteria: (1) the transportation
7 projects are similar in complexity, in the same capital investment
8 strategy (CIS) asset category, or are in reasonable geographical
9 proximity to one another; (2) the transportation projects are of
10 similar size or design; (3) the transportation projects will not
11 require a more stringent environmental permitting process or
12 increase the environmental review time as a result of their inclusion
13 in the design bundling program; and (4) the inclusion of
14 transportation projects in the design bundling program will provide
15 the department with cost and time savings.

16 d. The commissioner shall develop the design bundling
17 program with the following minimum requirements:

18 (1) The department shall annually develop a preliminary list of
19 transportation projects that are intended to be included in project
20 design bundles. The department shall identify project design
21 bundles for different regions of the State for geographically
22 combinable transportation projects and project design bundles on a
23 Statewide basis for similar transportation project types and similar
24 CIS asset categories. The preliminary list shall include all
25 transportation projects meeting the eligibility requirements
26 established in subsection c. of this section;

27 (2) The department shall notify any local government entity that
28 is substantially impacted by the project design bundles
29 recommended for inclusion in the design bundling program. The
30 department shall also distribute the preliminary list to the North
31 Jersey Transportation Planning Authority, the South Jersey
32 Transportation Planning Organization, and the Delaware Valley
33 Regional Planning Commission; and

34 (3) Once the department has obtained all of the necessary
35 approvals for transportation projects in the design bundle from
36 applicable governmental entities, the department shall annually,
37 publicly issue a final list of transportation design projects to be
38 included in the design bundling program, prior to issuing the
39 respective contracts for project design bundles.

40 e. Notwithstanding any other law to the contrary,
41 transportation design projects determined to be eligible and
42 recommended for inclusion in the design bundling program by the
43 department shall not require specific itemization in a capital budget,
44 but any capital funds expended on the design bundling program
45 shall be provided for in a single capital program line item for each
46 project design bundle under the design bundling program.

47 f. Any transportation projects included in the design bundling
48 program established pursuant to subsection b. of this section shall

1 comply with section 24 of P.L.1984, c.73 (C.27:1B-24), chapters 32
2 through 35 of Title 52 of the Revised Statutes, and any other
3 provision of law concerning the State's public bidding requirements
4 and business set-aside programs.

5

6 4. (New section) a. There is hereby established within the
7 Department of Transportation, the New Jersey Transportation
8 Research Center, hereinafter referred to as the center.

9 b. The center shall be located within the Department of
10 Transportation, and the center shall award research contracts to
11 New Jersey public research institutions of higher education to
12 conduct the research activities of the center. The award of those
13 research contracts shall be subject to all relevant existing State and
14 federally established public bidding regulations and processes.

15 c. The center shall identify specific areas of transportation
16 expertise at New Jersey public research institutions of higher
17 education, where all research undertaken by the center in that area
18 of expertise is to occur, and shall be subject to all relevant existing
19 State and federally established public bidding regulations and
20 processes.

21 d. The Commissioner of Transportation shall appoint a director
22 for the center. The duties of the director shall include but not be
23 limited to:

24 (1) Administering and operating the center;
25 (2) Overseeing research undertaken by the center;
26 (3) Establishing and maintaining relationships with New Jersey
27 public research institutions of higher education;

28 (4) Supporting New Jersey public research institutions of higher
29 education in obtaining and maintaining University Transportation
30 Center status under the United States Department of Transportation
31 Federal Highway Administration's University Transportation
32 Center Program; and

33 (5) Authorizing competitive bidding for research contracts to
34 include entities in addition to New Jersey public research
35 institutions of higher education, notwithstanding the provisions of
36 subsections b. and c. of this section to the contrary, after making a
37 written determination that the department stands to benefit from
38 additional competition in terms of quality of work product,
39 timeliness of work product delivery, or availability of expertise in
40 one or more specific transportation areas.

41 e. For purposes of this section, "entities" means an entity that is
42 organized as a non-profit organization. "Entities" shall not include
43 a municipal planning organization or a municipal planning
44 organization-related entity, regardless of whether it is organized as
45 a non-profit organization.

46

47 5. Section 21 of P.L.1984, c.73 (C.27:1B-21) is amended to read
48 as follows:

1 21. a. There is hereby established a separate fund entitled
2 "Special Transportation Fund." This fund shall be maintained by the
3 State Treasurer and may be held in depositories as may be selected
4 by the treasurer and invested and reinvested as other funds in the
5 custody of the treasurer, in the manner provided by law. The
6 commissioner may from time to time (but not more frequently than
7 monthly) certify to the authority an amount necessary to fund
8 payments made, or anticipated to be made by or on behalf of the
9 department, from appropriations established for or made to the
10 department from revenues or other funds of the authority. The
11 commissioner's certification shall be deemed conclusive for
12 purposes of the act. The authority shall, within 15 days of receipt
13 of the certificate, transfer from available funds of the authority to
14 the treasurer for deposit in the Special Transportation Fund the
15 amount certified by the commissioner, provided that all funds
16 transferred shall only be expended by the department by project
17 pursuant to appropriations made from time to time by the
18 Legislature for the purposes of the act.

19 b. The department shall not expend any money except as
20 appropriated by law. Commencing with appropriations for the
21 fiscal years beginning on July 1, 1988, the department shall not
22 expend any funds, other than for permitted maintenance, except as
23 are appropriated by specific projects identified by a description of
24 the projects, the county or counties within which they are located,
25 and amounts to be expended on each project, in the annual
26 appropriations act. Funds expended for permitted maintenance may
27 be appropriated as one item of appropriation and subject to
28 allocation at the commissioner's discretion.

29 c. No funds appropriated, authorized, or expended pursuant to
30 this act shall be used to finance the resurfacing of highways by
31 department personnel, where that resurfacing would require the use
32 of more than 100,000 tons of bituminous concrete for that purpose
33 in any calendar year, except that the commissioner may waive this
34 provision when the commissioner determines the existence of
35 emergency conditions requiring the use of department personnel for
36 the resurfacing of highways, after the department has effectively
37 reached the 100,000 ton limit.

38 d. In order to provide the department with flexibility in
39 administering the specific appropriations by project identified in the
40 annual appropriations act, the commissioner may transfer a part of
41 any item to any other item subject to the approval of the Director of
42 the Division of Budget and Accounting and of the Joint Budget
43 Oversight Committee or its successor. Upon approval of the
44 director and the committee, the transfer shall take effect.

45 e. Any federal funds which become available to the State for
46 transportation projects which have not been appropriated to the
47 department in the annual appropriations act, shall be deemed
48 appropriated to the department and may, subject to approval by the

- 1 Joint Budget Oversight Committee and the State Treasurer, be
2 expended for any purpose for which such funds are qualified.
- 3 f. There shall be no appropriations from the revenues and other
4 funds of the authority for regular and routine maintenance of public
5 highways and components thereof, or operational activities of the
6 department unrelated to the implementation of, and indirect costs
7 associated with, the capital program. The commissioner shall
8 include in his annual budget request sufficient funding to effectuate
9 the purposes of P.L.2000, c.73 (C.27:1B-21.14 et al.).
- 10 g. To the extent that salaries or overhead of the department or
11 the New Jersey Transit Corporation are charged to transportation
12 projects, each agency shall keep adequate and truthful personnel
13 records, and time charts to adequately justify each such charge, and
14 shall make those records available to the external auditor to the
15 authority.
- 16 h. The commissioner shall annually, on or before January 1 of
17 each fiscal year, report to the Governor and the Legislature how
18 much money was expended in the previous fiscal year for salaries
19 and overhead of the department and the New Jersey Transit
20 Corporation. However, the amount expended from the revenues
21 and other funds of the authority for salaries and overhead of the
22 department and the New Jersey Transit Corporation for the fiscal
23 year beginning July 1, 2006 through the fiscal year beginning July
24 1, 2015 shall not exceed 13 percent of the total funds appropriated
25 from the revenues and other nonfederal funds of the authority for
26 those fiscal years, and shall not exceed \$208,000,000 for the fiscal
27 year beginning July 1, 2016 and each fiscal year thereafter.
- 28 i. No revenues or other funds of the authority shall be
29 expended for emergency response operations, the review of
30 applications for access permits under the State highway access
31 management code and membership fees or other fees connected
32 with membership in TRANSCOM, the Transportation Operations
33 Coordinating Committee.
- 34 j. Every project in which revenues or other funds of the
35 authority are expended shall be included on a website created by the
36 authority whose exclusive purpose shall be reporting on the status
37 of State and federal projects and serving as a singular location for
38 State and federal public documentation concerning those projects.
39 The website shall document the status of each project, presented in
40 tabular form outlining the budgeted amount, the amount spent and
41 committed, and the amount necessary to complete each project. The
42 website shall include a chart which compares the planned and actual
43 quarterly and cumulative expenditures for each project. The
44 website shall chronicle actions which have a bearing on the
45 progress of projects, including, but not limited to, awards for legal,
46 insurance, and engineering services, environmental review, public
47 involvement and outreach, property acquisitions, and construction
48 contracts. The website shall also include a description of any action

1 by an external regulatory agency such as the Department of
2 Environmental Protection, or any other party, which occurred
3 during the reporting period that affected the cost or timely
4 completion of any project in any manner. Information concerning
5 each project shall be included and updated, at minimum, once per
6 month.

7 k. There shall be a minimum appropriation from the revenues
8 and other funds of the authority of \$25,000,000 each fiscal year,
9 commencing with the fiscal year beginning July 1, 2016 for the
10 design, construction, reconstruction, rehabilitation, land acquisition,
11 and environmental mitigation of freight rail projects that include the
12 following factors: are significant to port commerce connectivity;
13 eliminate rail freight missing links to port facilities; **【or】** upgrade
14 freight rail trackage to a 286,000 pound load carrying capacity; or
15 support a safe, efficient, and effective rail freight system consistent
16 with the commissioner’s rail freight authority pursuant to section 2
17 of P.L.1986, c.56 (C.27:1A-5.1). The amount appropriated pursuant
18 to this subsection shall be inclusive of all amounts annually
19 appropriated for the New Jersey Rail Freight Assistance Program.
20 (cf: P.L.2016, c.56, s.4)

21

22 6. The Department of Transportation shall adopt regulations
23 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
24 (C.52:14B-1 et seq.), to effectuate the provisions of
25 P.L. , c. (C.) (pending before the Legislature as this bill).

26

27 7. This act shall take effect immediately.

28

29

30

STATEMENT

31

32 This bill revises the process by which capital projects authorized to
33 be paid for through the New Jersey Transportation Trust Fund are to
34 be administered.

35

Capital Program Consultant Reports

37 The Transportation Trust Fund Authority (authority) may hire
38 engineering consultants to generate bi-annual reports which identify,
39 for each transportation project and public transportation project, the
40 progress achieved in expending capital funds and the progress
41 achieved in completing capital projects. The authority may also hire
42 an outside consultant to generate a bi-annual report on all non-project
43 line items in the annual capital program that are not included in the
44 engineering consultant’s report. This report is to focus on the progress
45 achieved in expending funds appropriated in the capital program and
46 provide a description of how those funds are being expended,
47 including but not limited to, contracts, employment levels, and
48 measurable outcomes relating to each capital program line item.

1 Highway Project Priority List

2 The bill requires the Department of Transportation (department) to
3 develop an annual highway project priority list for each county. The
4 highway project priority list is a list of State highway projects chosen
5 by the counties in which the projects are located, from a candidate list
6 provided by the department to the counties of all structurally deficient
7 State bridges and State highway pavement areas in less than acceptable
8 condition. The dollar amount of projects that a county can add to the
9 list each year is limited by the amount of grant money a county is
10 statutorily scheduled to receive each year through the local county aid
11 program. The commissioner is to consider each highway project
12 priority list for the inclusion of those projects into the capital program
13 subject to the availability of funds. If the State is unable to begin a
14 project on the highway project priority list that was included into the
15 capital program within three fiscal years, the county can confer with
16 the department, and if the department finds that allowing the county to
17 take over the project is cost-effective and will expedite completion of
18 the project, the department can transfer the project to the county. The
19 department is to remain responsible for the cost of the project and
20 provide payments to the county for the cost of the project on a
21 reimbursement basis. If the department and county agree that a county
22 is better suited to complete a project on the list, the department and
23 county can also form an agreement and transfer the project to a county
24 in less than three years. For all projects on the list, regardless of
25 whether a county has taken over completion of a project, local aid
26 program funds are not to be used for these projects. All projects are
27 State projects and are to be funded with department capital
28 appropriations. Projects on the list that are transferred to a county are
29 still required to adhere to all existing State procurement laws,
30 including those applying to bidding and business set-asides.

31

32 Project Bundling

33 The bill requires the department to bundle the design of certain
34 transportation design projects funded, in whole or in part, by the
35 Transportation Trust Fund. Projects that are eligible to be bundled are
36 projects of similar complexity, project type, or geographic proximity,
37 that are of similar size or design, where the bundling of design projects
38 will not require more stringent environmental review, and whose
39 inclusion in the program will save the department time or money. The
40 purpose of the program is to save costs and time by allowing multiple
41 transportation projects to be designed under a single contract.
42 Contracts issued under the design bundling program are still required
43 to adhere to all existing procurement laws, including those applying to
44 bidding and business set-asides.

45

46 New Jersey Transportation Research Center

47 This bill establishes the New Jersey Transportation Research
48 Center (center) within the department. The Commissioner of

1 Transportation is to appoint a director of the center. The director is to
2 award research contracts to New Jersey public research institutions of
3 higher education (institutions). The center is to identify specific areas
4 of expertise for institutions. The institutions are to conduct research
5 for the center in their areas of expertise, pursuant to research contracts
6 that are awarded in a manner that is subject to all relevant existing
7 State and federally established public bidding regulations and
8 processes. In addition to operating and administering the center and
9 awarding research contracts, the director is responsible for supporting
10 institutions in obtaining and maintaining status as University
11 Transportation Centers under the United States Department of
12 Transportation Federal Highway Administration University
13 Transportation Centers Program. The director may authorize
14 competitive bidding for the awarding of research contracts, after
15 making a determination that the department stands to benefit from
16 additional competition in terms of quality of work product, timeliness
17 of work product delivery, or availability of expertise in one or more
18 specific transportation areas. This competitive bidding process is to
19 include certain non-profit entities in addition to the New Jersey public
20 research institutions of higher education that may be awarded a
21 contract.

22

23 Freight Rail Assistance Program

24 This bill amends the “Special Transportation Fund” statute
25 concerning the annual appropriations for the State Freight Rail
26 Assistance Program (FRAP) to make clear that grants can be provided
27 to projects that support a safe, efficient, and effective rail freight
28 system which makes the program qualifications consistent with the
29 parameters used to choose FRAP projects prior to the most recent
30 Transportation Trust Fund renewal.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 876

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 876 (2R).

This bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports that identify, for each transportation project and public transit transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects, chosen by the county in which the projects are located, from a candidate list provided by the department to the county of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The dollar amount of projects that a county can add to the list each year is limited by the amount of grant money a county is statutorily scheduled to receive each year through the local county aid program. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included in the capital program within three fiscal years, the county can confer with the department, and, if the department finds that allowing the county to take over the project is cost-effective and will expedite completion of

the project, the department can transfer the project to the county. The department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis. If the department and county agree that a county is better suited to complete a project on the list, the department and county can also form an agreement and transfer the project to a county in less than three years. For all projects on the list, regardless of whether a county has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill requires the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts to include entities in addition to the institutions, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or

availability of expertise in one or more specific transportation areas. Under this competitive bidding process, entity is defined to include an entity that is organized as a non-profit organization but is not to include a municipal planning organization or municipal planning organization-related entity, regardless of whether it is organized as a non-profit organization.

Freight Rail Assistance Program

This bill amends the “Special Transportation Fund” statute concerning the annual appropriations for the State Freight Rail Assistance Program (FRAP) to clarify that grants can be provided to projects that support a safe, efficient, and effective rail freight system, which makes the program qualifications consistent with the parameters used to choose FRAP projects prior to the most recent Transportation Trust Fund renewal.

As reported by the committee, Senate Bill No. 876 (2R) is identical to Assembly Bill No.2607, as amended and reported by the committee on this date.

FISCAL IMPACT:

Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county for its own projects. The counties are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county would experience no net gain.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 876

STATE OF NEW JERSEY

DATED: JUNE 18, 2019

The Assembly Appropriations Committee reports favorably Senate Bill No. 876 (2R), with committee amendments.

As amended by the committee, this bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered and establishes a transportation research center.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects chosen by the counties in which the projects are located, from a candidate list provided by the department to the counties of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included into the capital program within three fiscal years, the county can confer with the department, and if the department finds that allowing the county or the South Jersey Transportation Authority to take over the project is cost-effective and will expedite completion of the project, the

department can transfer the project to the county or the South Jersey Transportation Authority. The department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis until the costs exceed the most recent estimated cost for the project developed as part of the project schedule or, if unavailable, the estimated cost developed with the initial project schedule. If the cost of the project exceeds already existing capital program appropriations for that project, the department is to deduct the necessary amounts from the amounts granted to that county from the local county aid program for the fiscal year in which the costs arise or for one or more future fiscal years as determined by the commissioner. Projects on the list that are transferred to a county or the South Jersey Transportation Authority are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill permits the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time and money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts, after

making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or availability of expertise in one or more specific transportation areas. This competitive bidding process is to include certain non-profit entities in addition to the New Jersey public research institutions of higher education that may be awarded a contract.

Freight Rail Assistance Program (FRAP)

This bill also provides that the department is to accept new applications for rail freight projects that support a safe, efficient, and effective rail freight system for up to 60 days following the effective date of this bill. These are the standards that were in place for the rail freight assistance program prior to the enactment of legislation in 2016 revising the standards for the rail freight assistance program. This will permit new project applications to be considered under both the old and the new standards for up to 60 days after the effective date of this bill.

As amended and reported by the committee, this bill is identical to Assembly Bill No. 2607 (1R), also reported and amended by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments:

- 1) remove a provision that permits a county to add projects to the highway project priority list each fiscal year that have an estimated total cost that is equivalent to or less than the amount that is to be granted to that county in that fiscal year from the local county aid program;
- 2) provide that the costs of any project that is transferred to a county or to the South Jersey Transportation Authority pursuant to the bill is to be funded by the department on a reimbursement basis until such costs exceed the most recent estimated cost for the project developed as part of the project schedule or, if unavailable, the estimated cost developed with the initial project schedule;
- 3) provide that if the cost for the transferred project exceeds already existing capital program appropriations for the project, the department is required to deduct the necessary amounts from the amounts granted to that county from the local county aid program for the fiscal year in which the costs arise or for one or more future fiscal years as determined by the commissioner;
- 4) remove a provision of the bill that provides that if a State project on the highway project priority list is transferred to a county or the South Jersey Transportation Authority, the

project is to be funded through department capital program appropriations;

- 5) remove a provision of the bill that provides that grant funds awarded through the local aid program are not to be used on any project on the highway project priority list; and
- 6) permits, rather than requires, the department to develop a design bundling program.

FISCAL IMPACT:

Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties or the South Jersey Transportation Authority to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county or the South Jersey Transportation Authority for its own projects. The counties or the South Jersey Transportation Authority are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain, unless the project experiences cost overruns relative to original cost projections. In that case, the cost overruns will be deducted from a county's local aid allotment and represent a loss of revenue to the county.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 876

STATE OF NEW JERSEY

DATED: DECEMBER 3, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 876.

This bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports that identify, for each transportation project and public transit transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects, chosen by the county in which the projects are located, from a candidate list provided by the department to the county of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The dollar amount of projects that a county can add to the list each year is limited by the amount of grant money a county is statutorily scheduled to receive each year through the local county aid program. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included in the capital program within three fiscal years, the county can confer with the department, and, if the department finds that allowing the county to take over the project is cost-effective and will expedite completion of the project, the department can transfer the project to the county. The

department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis. If the department and county agree that a county is better suited to complete a project on the list, the department and county can also form an agreement and transfer the project to a county in less than three years. For all projects on the list, regardless of whether a county has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill requires the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts to include entities in addition to the institutions, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or

availability of expertise in one or more specific transportation areas. Under this competitive bidding process, entity is defined to include an entity that is organized as a non-profit organization but is not to include a municipal planning organization or municipal planning organization-related entity, regardless of whether it is organized as a non-profit organization.

Freight Rail Assistance Program

This bill amends the “Special Transportation Fund” statute concerning the annual appropriations for the State Freight Rail Assistance Program (FRAP) to clarify that grants can be provided to projects that support a safe, efficient, and effective rail freight system, which makes the program qualifications consistent with the parameters used to choose FRAP projects prior to the most recent Transportation Trust Fund renewal.

FISCAL IMPACT:

Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county for its own projects. The counties are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county would experience no net gain.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 876

STATE OF NEW JERSEY

DATED: MARCH 12, 2018

The Senate Transportation Committee reports favorably Senate Bill No. 876.

As reported, this bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transit transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects, chosen by the county in which the projects are located, from a candidate list provided by the department to the county of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The dollar amount of projects that a county can add to the list each year is limited by the amount of grant money a county is statutorily scheduled to receive each year through the local county aid program. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included in the capital program within three fiscal years, the county can confer with the department, and, if the department finds that allowing the county to take over the project is cost-effective and will expedite completion of the project, the department can transfer the project to the county. The

department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis. If the department and county agree that a county is better suited to complete a project on the list, the department and county can also form an agreement and transfer the project to a county in less than three years. For all projects on the list, regardless of whether a county has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

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This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts to include entities in addition to the institutions, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or

availability of expertise in one or more specific transportation areas. Under this competitive bidding process, entity is defined to include an entity that is organized as a non-profit organization but is not to include a municipal planning organization or municipal planning organization-related entity, regardless of whether it is organized as a non-profit organization.

Freight Rail Assistance Program

This bill amends the “Special Transportation Fund” statute concerning the annual appropriations for the State Freight Rail Assistance Program (FRAP) to clarify that grants can be provided to projects that support a safe, efficient, and effective rail freight system, which makes the program qualifications consistent with the parameters used to choose FRAP projects prior to the most recent Transportation Trust Fund renewal.

This bill was pre-filed in the 2018-2019 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

STATEMENT TO

SENATE, No. 876

with Senate Floor Amendments
(Proposed by Senators SWEENEY)

ADOPTED: DECEMBER 17, 2018

This floor amendment requires the Department of Transportation to accept project applications under the freight rail assistance program that support a safe, efficient, and effective rail freight system, for 60 days following enactment of this bill.

The amendment permits projects that were in development prior to enactment of P.L.2016, c.56 an opportunity to be considered for grant funding.

STATEMENT TO

[First Reprint]

SENATE, No. 876

with Senate Floor Amendments
(Proposed by Senator SWEENEY)

ADOPTED: JANUARY 31, 2019

These floor amendments permit the Department of Transportation to enter into agreements with the South Jersey Transportation Authority to complete transportation projects on the highway project priority list, in the same manner as it is to be permitted to enter into agreements with counties.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 876
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MAY 21, 2018

SUMMARY

- Synopsis:** Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.
- Type of Impact:** Increase in State expenditures; change in disposition of Transportation Trust Fund expenditures; possible increase in county transportation funding.
- Agencies Affected:** New Jersey Department of Transportation (department), New Jersey Transit, Transportation Trust Fund Authority, New Jersey institutes of higher education, Counties.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue		Indeterminate potential increase	
State Expenditure		Indeterminate Increase	
County Revenue		Indeterminate Increase	
County Expenditure		Indeterminate Increase	

- Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.
- Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or

indirectly to State institutions of higher education with the department serving as a pass-through entity.

- The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county for its own projects. The counties are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county would experience no net gain.

BILL DESCRIPTION

This bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

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The bill requires the department to bundle certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

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FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services notes that producing capital program consulting reports, project bundling, and expanding FRAP criteria will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

The production of capital program consulting reports will require capital program funds to be expended for the production of the reports, which would have otherwise been used on other capital program projects. These reports may result in a better selection and management of capital projects so that those capital projects are being completed faster and at a lower cost. This

may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

The use of single design contracts for similar projects in a design bundle is intended to reduce costs by simplifying the scope of design work that needs to be performed on certain transportation projects. To the extent that the use of single design contracts for similar projects is successful, it may result in those projects being completed faster and at a lower cost. This may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding will not increase revenue available to the counties for their own projects. The counties are to utilize this State funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county would experience no net gain.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Lead Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 876

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 8, 2019

SUMMARY

- Synopsis:** Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.
- Type of Impact:** Increase in State expenditures; change in disposition of Transportation Trust Fund expenditures; possible increase in county transportation funding.
- Agencies Affected:** New Jersey Department of Transportation (department), New Jersey Transit, Transportation Trust Fund Authority, New Jersey institutes of higher education, Counties.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Revenue		Indeterminate potential increase	
State Expenditure		Indeterminate Increase	
County Revenue		Indeterminate Increase	
County Expenditure		Indeterminate Increase	

- Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.
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indirectly to State institutions of higher education with the department serving as a pass-through entity.

- The highway project priority list may result in additional funding for counties or the South Jersey Transportation Authority to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county or the South Jersey Transportation Authority for its own projects. The counties or the South Jersey Transportation Authority are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain.

BILL DESCRIPTION

This bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

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projects on the list, regardless of whether a county or the South Jersey Transportation Authority has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county or the South Jersey Transportation Authority are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill requires the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

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Freight Rail Assistance Program (FRAP)

This bill also permits the department to accept new applications for freight rail projects that support a safe, efficient, and effective rail freight system for up to 60 days following the effective date of this bill. These are the standards that were in place for the freight rail assistance program prior to the enactment of legislation in 2016 revising the standards for the freight rail assistance program. This will permit new project applications to be considered under both the old and the new standards for up to 60 days after the effective date of this bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services notes that producing capital program consulting reports, project bundling, and expanding FRAP criteria will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

The production of capital program consulting reports will require capital program funds to be expended for the production of the reports, which would have otherwise been used on other capital program projects. These reports may result in a better selection and management of capital projects so that those capital projects are being completed faster and at a lower cost. This may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

The use of single design contracts for similar projects in a design bundle is intended to reduce costs by simplifying the scope of design work that needs to be performed on certain transportation projects. To the extent that the use of single design contracts for similar projects is successful, it may result in those projects being completed faster and at a lower cost. This may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding will not increase revenue available to the counties or the South Jersey Transportation Authority for their own projects. The counties or the South Jersey Transportation Authority are to utilize this State funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Patrick Brennan
Principal Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 2607

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 1, 2018

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/7/2018)

1 AN ACT concerning the administration of Transportation Trust Fund
2 projects and supplementing Title 27 of the Revised Statutes.

3

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

6

7 1. a. For each capital project funded by the authority,
8 including transportation projects and public transportation projects,
9 the authority, in conjunction with the department and the New
10 Jersey Transit Corporation, may contract with consulting engineers
11 to prepare an estimated project schedule (1) for the acquisition of
12 rights-of-way and (2) for the construction of each project. The
13 consulting engineer shall also estimate the amounts which shall be
14 required during each six-month period for estimated costs of
15 construction of each project. Thereafter, at least once in each six-
16 month period during the construction of a project, the authority may
17 require the consulting engineers to prepare a progress report
18 updating the project schedule for the acquisition of real property for
19 each project and construction progress, which may include
20 comparisons of the actual time elapsed, actual costs, estimated time
21 to completion, and estimated total cost between the most recent six-
22 month period and those same actual and estimated times and costs
23 in prior progress reports. Copies of each progress report shall be
24 maintained on the authority's website and shall be submitted to the
25 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
26 19.1), to the Legislature.

27 b. For funds provided by the authority to the department or the
28 New Jersey Transit Corporation for non-project costs, the authority
29 may contract with an outside consultant to prepare a report which
30 tracks, according to State capital program line items in each annual
31 appropriations act, an estimated schedule for the expenditure of
32 appropriated funds, and a description of how funds are being
33 expended, including, but not limited to, contracts to be paid from
34 each capital program line item, the amount of staff or outside
35 consultants to be paid from each capital program line item, and
36 measurable policy outcomes relating to each capital program line
37 item which shall be required during each six-month period until an
38 appropriation has been fully expended. Once in each six-month
39 period in which the State appropriations of non-project
40 transportation capital funds in a given fiscal year have not been
41 fully expended, including if that period extends beyond the fiscal
42 year of the original appropriation, the authority may cause the
43 outside consultant to prepare a progress report covering the
44 expenditure of appropriated funds and any progress in
45 accomplishing the purpose of given appropriations, which may
46 include comparisons of the actual time elapsed since the initial
47 appropriation, actual expenditures from the appropriation, estimated
48 time to completely expend appropriated funds, and estimated

1 measurable outcomes for the entire appropriation between the most
2 recent six-month period and those same actual and estimated times
3 and outcomes in prior progress reports. Copies of each progress
4 report shall be maintained on the authority's website and shall be
5 submitted to the Governor and, pursuant to section 2 of P.L.1991,
6 c.164 (C.52:14-19.1), to the Legislature.

7
8 2. a. In order to ensure the expeditious completion of public
9 highway projects, the department shall coordinate with
10 municipalities and counties to expedite project delivery.

11 b. The department shall develop, in conjunction with county
12 officials, an annual highway project priority list for each county.
13 The department shall present to county officials in each county a
14 list of State highway pavement areas rated below acceptable
15 condition and structurally deficient State bridges located in the
16 county. The county may select highway pavement areas and
17 bridges from that list that it deems to be priority repairs to be placed
18 on the highway project priority list. Once a project has been added
19 to the highway project priority list, the department shall have three
20 fiscal years to advance that project through all phases of work and
21 complete the project, regardless of which phase of work the project
22 is in at the time it is added to the highway project priority list.

23 Notwithstanding any other provision of law, the annual highway
24 project priority list, as well as any reports, lists, surveys, data, or
25 other documents created for the purpose of preparing the annual
26 highway project priority list, shall not be subject to discovery or
27 admitted into evidence in any federal or State court proceeding or
28 considered for other purposes in any action for damages arising
29 from any occurrence at a location mentioned or addressed in any
30 such annual highway project priority list, reports, lists, surveys,
31 data, or documents.

32 c. A county may add projects to the highway project priority
33 list each fiscal year with an estimated total cost that is equivalent to
34 or less than the amount that is to be granted to that county in that
35 fiscal year from the formula established in subsection e. of section
36 25 of P.L.1984, c.73 (C.27:1B-25) through the Local County Aid
37 Program.

38 d. If a project on the highway project priority list is not
39 completed within three years of that project's inclusion on the
40 highway project priority list, a county may notify the department
41 that the county intends to take over the project.

42 e. Once the department has been notified of a county's intent to
43 take over a project on the highway project priority list, the
44 department and notifying county shall confer regarding whether the
45 decision to allow the county to take over the project is cost-
46 effective and will expedite completion of the project. The
47 department shall have the discretion to determine whether to
48 transfer the project to the county based on whether the transfer is

1 cost-effective and will expedite completion of the project. If the
2 department agrees to transfer the project, the department shall have
3 90 days from the date it agrees to the transfer to transfer all aspects
4 of the project to the engineering department of the notifying county.

5 f. The costs of any project transferred to a county pursuant to
6 this section shall be fully funded by the department on a
7 reimbursement basis. If the cost of the project exceeds existing
8 capital program appropriations for that project, the department shall
9 include in the capital program any additional amounts needed to
10 complete the project.

11 g. The highway project priority list shall contain only State
12 transportation projects. If a State project on the highway project
13 priority list is transferred to a county pursuant to the provisions of
14 this section, completion of the project shall continue to be funded
15 through department capital program appropriations. Grant funds
16 awarded through the Local Aid Program pursuant to section 25 of
17 P.L.1984, c.73 (C.27:1B-25) shall not be used on any project on the
18 highway project priority list.

19 h. If the department and a county agree that a county is better
20 suited to advance a project on the highway project priority list, the
21 department may also enter into an agreement with the county to
22 transfer a project to the county notwithstanding that the project has
23 been on the list for less than three years.

24 i. All transportation project included in the highway project
25 priority list and transferred by the department pursuant to
26 subsection e. or subsection h. of this section shall comply with
27 section 24 of P.L.1984, c.73 (C.27:1B-24), chapters 32 through 35
28 of Title 52 of the Revised Statutes, and any other provision of law
29 concerning the State's public bidding requirements and business
30 set-aside programs.

31

32 3. a. As used in this section:

33 "Project bundle" means any group of transportation projects that
34 are combined into a single contract under the bundling program.

35 "Transportation Project Bundling Program" or "bundling
36 program" means a department process where multiple transportation
37 project design contracts, funded in whole or in part by the
38 Transportation Trust Fund, are combined into a single
39 transportation project design contract for the purposes of saving the
40 department time or money.

41 b. The Transportation Project Bundling Program is hereby
42 established within the department to save time and money on
43 transportation projects by allowing multiple transportation projects
44 to be combined into a single design contract.

45 c. All transportation projects, including but not limited to,
46 transportation projects contained in the department's bridge
47 inspection, safety, and pavement asset management systems, and
48 any transportation assets identified by the department as being in

1 need of repair, shall be included in the bundling program if the
2 projects meet all of the following criteria: (1) the transportation
3 projects are similar in complexity, in the same capital investment
4 strategy (CIS) asset category, or are in reasonable geographical
5 proximity to one another; (2) the transportation projects are of
6 similar size or design; and (3) the inclusion of transportation
7 projects in the bundling program will provide the department with
8 cost or time savings.

9 d. The commissioner shall develop the bundling program with
10 the following minimum requirements:

11 (1) The department shall annually develop a preliminary list of
12 transportation projects that are intended to be included in project
13 bundles. The department shall identify project bundles for different
14 regions of the State for geographically combinable transportation
15 projects and project bundles on a Statewide basis for similar
16 transportation project types and similar CIS asset categories. The
17 preliminary list shall include all transportation projects meeting the
18 eligibility requirements established in subsection c. of this section;

19 (2) The department shall notify any local government entity that
20 is substantially impacted by the project bundles recommended for
21 inclusion in the bundling program. The department shall also
22 distribute the preliminary list to the North Jersey Transportation
23 Planning Authority, the South Jersey Transportation Planning
24 Organization, and the Delaware Valley Regional Planning
25 Commission; and

26 (3) Once the department has obtained all of the necessary
27 approvals for transportation projects in the bundle from applicable
28 governmental entities, the department shall annually, publicly issue
29 a final list of transportation projects to be included in the bundling
30 program, prior to issuing the respective contracts for project
31 bundles.

32 e. Notwithstanding any other law to the contrary,
33 transportation projects determined to be eligible and recommended
34 for inclusion in the bundling program by the department shall not
35 require specific itemization in a capital budget, but any capital
36 funds expended on the bundling program shall be provided for in a
37 single capital program line item for each project bundle under the
38 bundling program.

39 f. Any transportation projects included in the bundling
40 program established pursuant to subsection b. of this section shall
41 comply with section 24 of P.L.1984, c.73 (C.27:1B-24), chapters 32
42 through 35 of Title 52 of the Revised Statutes, and any other
43 provision of law concerning the State's public bidding requirements
44 and business set-aside programs.

45

46 4. a. There is hereby established within the Department of
47 Transportation, the New Jersey Transportation Research Center,
48 hereinafter referred to as the center.

1 b. The center shall be located within the Department of
2 Transportation, and the center shall award research contracts to
3 New Jersey public research institutions of higher education to
4 conduct the research activities of the center. The award of those
5 research contracts shall be subject to all relevant existing State and
6 federally established public bidding regulations and processes.

7 c. The center shall identify specific areas of transportation
8 expertise at New Jersey public research institutions of higher
9 education, where all research undertaken by the center in that area
10 of expertise is to occur, and shall be subject to all relevant existing
11 State and federally established public bidding regulations and
12 processes.

13 d. The Commissioner of Transportation shall appoint a director
14 for the center. The duties of the director shall include but not be
15 limited to:

- 16 (1) Administering and operating the center;
- 17 (2) Overseeing research undertaken by the center;
- 18 (3) Establishing and maintaining relationships with New Jersey
19 public research institutions of higher education; and
- 20 (4) Supporting New Jersey public research institutions of higher
21 education in obtaining and maintaining University Transportation
22 Center status under the United States Department of Transportation
23 Federal Highway Administration's University Transportation
24 Center Program.

25
26 5. The Department of Transportation shall adopt regulations
27 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
28 (C.52:14B-1 et seq.), to effectuate the provisions of
29 P.L. , c. (C.) (pending before the Legislature as this bill).

30
31 6. This act shall take effect immediately.

32

33

34

STATEMENT

35

36 This bill revises the process by which capital projects authorized
37 to be paid for through the New Jersey Transportation Trust Fund are
38 to be administered.

39

Capital Program Consultant Reports

40
41 The Transportation Trust Fund Authority (authority) may hire
42 engineering consultants to generate bi-annual reports which
43 identify, for each transportation project and public transportation
44 project, the progress achieved in expending capital funds and the
45 progress achieved in completing capital projects. The authority
46 may also hire an outside consultant to generate a bi-annual report
47 on all non-project line items in the annual capital program that are
48 not included in the engineering consultant's report. This report is to

1 focus on the progress achieved in expending funds appropriated in
2 the capital program and provide a description of how those funds
3 are being expended, including but not limited to, contracts,
4 employment levels, and measurable outcomes relating to each
5 capital program line item.

6

7 Highway Project Priority List

8 The bill requires the Department of Transportation (department)
9 to develop an annual highway project priority list for each county.
10 The highway project priority list is a list of State highway projects
11 chosen by the counties in which the projects are located, from a
12 secondary list provided by the department to the counties of all
13 structurally deficient State bridges and State highway pavement
14 areas in less than acceptable condition. The annual highway project
15 priority list, and all documents created for the annual highway
16 project priority list are not to be subject to discovery or admitted
17 into evidence in any federal or State court proceeding. The dollar
18 amount of projects that a county can add to the list each year is
19 limited by the amount of grant money a county is statutorily
20 scheduled to receive each year through the local county aid
21 program. If the State is unable to complete a project on the
22 highway project priority list within three fiscal years, the county
23 can confer with the department, and if the department finds that
24 allowing the county to take over the project is cost-effective and
25 will expedite completion of the project, the department can transfer
26 the project to the county. The department is to remain responsible
27 for the cost of the project and provide payments to the county for
28 the cost of the project on a reimbursement basis. If the department
29 and county agree that a county is better suited to complete a project
30 on the list, the department and county can also form an agreement
31 and transfer the project in less than three years. For all projects on
32 the list, regardless of whether a county has taken over completion of
33 a project, local aid program funds are not to be used for these
34 projects. All projects are State projects and are to be funded with
35 department capital appropriations. Projects on the list that are
36 transferred to a county are still required to adhere to all existing
37 State procurement laws, including those applying to bidding and
38 business set-asides.

39

40 Project Bundling

41 The bill requires the department to bundle the design of certain
42 transportation projects funded, in whole or in part, by the
43 Transportation Trust Fund. Projects that are eligible to be bundled
44 are projects of similar complexity, project type, or geographic
45 proximity, that are of similar size or design, and whose inclusion in
46 the program will save the department time or money. The purpose
47 of the program is to save costs and time by allowing multiple
48 transportation projects to be designed under a single contract.

1 Contracts issued under the bundling program are still required to
2 adhere to all existing procurement laws, including those applying to
3 bidding and business set-asides.

4

5 New Jersey Transportation Research Center

6 This bill establishes the New Jersey Transportation Research
7 Center (center) within the department. The Commissioner of
8 Transportation is to appoint a director of the center. The director is
9 to award research contracts to New Jersey public research
10 institutions of higher education (institutions). The center is to
11 identify specific areas of expertise for institutions. The institutions
12 are to conduct research for the center in their areas of expertise,
13 pursuant to research contracts that are awarded in a manner that is
14 subject to all relevant existing State and federally established public
15 bidding regulations and processes. In addition to operating and
16 administering the center and awarding research contracts, the
17 director is responsible for supporting institutions in obtaining and
18 maintaining status as University Transportation Centers under the
19 United States Department of Transportation Federal Highway
20 Administration University Transportation Centers Program.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2607

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2607, with committee amendments.

As amended by the committee, this bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects chosen by the counties in which the projects are located, from a candidate list provided by the department to the counties of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The dollar amount of projects that a county can add to the list each year is limited by the amount of grant money a county is statutorily scheduled to receive each year through the local county aid program. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included into the capital program within three fiscal years, the county can confer with the department, and if the department finds that allowing the county or

the South Jersey Transportation Authority to take over the project is cost-effective and will expedite completion of the project, the department can transfer the project to the county or the South Jersey Transportation Authority. The department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis. If the department and county agree that a county or the South Jersey Transportation Authority is better suited to complete a project on the list, the department and county or the South Jersey Transportation Authority can form an agreement and transfer the project to a county or the South Jersey Transportation Authority in less than three years. For all projects on the list, regardless of whether a county or the South Jersey Transportation Authority has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county or the South Jersey Transportation Authority are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill requires the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University

Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or availability of expertise in one or more specific transportation areas. This competitive bidding process is to include certain non-profit entities in addition to the New Jersey public research institutions of higher education that may be awarded a contract.

Freight Rail Assistance Program (FRAP)

This bill also permits the department to accept new applications for freight rail projects that support a safe, efficient, and effective rail freight system for up to 60 days following the effective date of this bill. These are the standards that were in place for the freight rail assistance program prior to the enactment of legislation in 2016 revising the standards for the freight rail assistance program. This will permit new project applications to be considered under both the old and the new standards for up to 60 days after the effective date of this bill.

As amended and reported by the committee, this bill is identical to Senate Bill No. 876 (2R), also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments:

1) permit the department to enter into agreements with the South Jersey Transportation Authority to complete transportation projects on the highway project priority list, in the same manner as it is to be permitted to enter into agreements with counties;

2) require the Commissioner of Transportation to consider each highway project priority list for the inclusion of those projects into the capital program, subject to the availability of funds;

3) permit, under certain circumstances, the Department of Transportation to transfer responsibility for completing a project on the highway project priority list to a county or the South Jersey Transportation Authority;

4) rename the “Transportation Project Bundling Program” to be the “Transportation Project Design Bundling Program”;

5) provide that a transportation design project may be included in the design bundling program if the project will not require more stringent environmental review and who inclusion will save the department time and money;

6) allow the director of the New Jersey Transportation Research Center established by the bill to authorize competitive bidding for the awarding of research contracts after making a determination that the

department stands to benefit from additional competition in terms of quality of work product; timeliness of work product delivery, or availability of expertise in one or more specific transportation areas;

7) permit the department, for up to 60 days following the effective date of the bill, to accept new applications, for freight rail projects that support a safe, efficient, and effective rail freight system; and

8) make various technical corrections.

FISCAL IMPACT:

Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties or the South Jersey Transportation Authority to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county or the South Jersey Transportation Authority for its own projects. The counties or the South Jersey Transportation Authority are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2607

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2607 (1R), with committee amendments.

As amended by the committee, this bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered and establishes a transportation research center.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation (department) to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects chosen by the counties in which the projects are located, from a candidate list provided by the department to the counties of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included into the capital program within three fiscal years, the county can confer with the department, and if the department finds that allowing the county or

the South Jersey Transportation Authority to take over the project is cost-effective and will expedite completion of the project, the department can transfer the project to the county or the South Jersey Transportation Authority. The department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis until the costs exceed the most recent estimated cost for the project developed as part of the project schedule or, if unavailable, the estimated cost developed with the initial project schedule. If the cost of the project exceeds already existing capital program appropriations for that project, the department is to deduct the necessary amounts from the amounts granted to that county from the local county aid program for the fiscal year in which the costs arise or for one or more future fiscal years as determined by the commissioner. Projects on the list that are transferred to a county or the South Jersey Transportation Authority are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill permits the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time and money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center (center) within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University

Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or availability of expertise in one or more specific transportation areas. This competitive bidding process is to include certain non-profit entities in addition to the New Jersey public research institutions of higher education that may be awarded a contract.

Freight Rail Assistance Program (FRAP)

This bill also provides that the department is to accept new applications for rail freight projects that support a safe, efficient, and effective rail freight system for up to 60 days following the effective date of this bill. These are the standards that were in place for the rail freight assistance program prior to the enactment of legislation in 2016 revising the standards for the rail freight assistance program. This will permit new project applications to be considered under both the old and the new standards for up to 60 days after the effective date of this bill.

As amended and reported by the committee, this bill is identical to Senate Bill No. 876 (2R), also reported and amended by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments:

- 1) remove a provision that permits a county to add projects to the highway project priority list each fiscal year that have an estimated total cost that is equivalent to or less than the amount that is to be granted to that county in that fiscal year from the local county aid program;
- 2) provide that the costs of any project that is transferred to a county or to the South Jersey Transportation Authority pursuant to the bill is to be funded by the department on a reimbursement basis until such costs exceed the most recent estimated cost for the project developed as part of the project schedule or, if unavailable, the estimated cost developed with the initial project schedule;
- 3) provide that if the cost for the transferred project exceeds already existing capital program appropriations for the project, the department is required to deduct the necessary amounts from the amounts granted to that county from the local county aid program for the fiscal year in which the costs arise or for one or more future fiscal years as determined by the commissioner;
- 4) remove a provision of the bill that provides that if a State project on the highway project priority list is transferred to a

county or the South Jersey Transportation Authority, the project is to be funded through department capital program appropriations;

- 5) remove a provision of the bill that provides that grant funds awarded through the local aid program are not to be used on any project on the highway project priority list;
- 6) permits, rather than requires, the department to develop a design bundling program; and
- 7) makes grammatical changes to make the bill identical to its Senate counterpart.

FISCAL IMPACT:

Producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to State institutions of higher education with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties or the South Jersey Transportation Authority to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county or the South Jersey Transportation Authority for its own projects. The counties or the South Jersey Transportation Authority are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain, unless the project experiences cost overruns relative to original cost projections. In that case, the cost overruns will be deducted from a county's local aid allotment and represent a loss of revenue to the county.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2607

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MAY 28, 2019

SUMMARY

- Synopsis:** Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.
- Type of Impact:** Increase in State expenditures; change in disposition of Transportation Trust Fund expenditures; possible increase in county transportation funding.
- Agencies Affected:** New Jersey Department of Transportation, New Jersey Transit, Transportation Trust Fund Authority, New Jersey institutes of higher education, Counties.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Potential State Revenue Increase		Indeterminate	
State Expenditure Increase		Indeterminate	
County Revenue Increase		Indeterminate	
County Expenditure Increase		Indeterminate	

- The Office of Legislative Services finds that producing capital program consulting reports and project bundling will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.
- Establishing the New Jersey Transportation Research Center (center) may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher

education or indirectly to these institutions with the Department of Transportation (department) serving as a pass-through entity.

- The highway project priority list may result in additional funding for counties or the South Jersey Transportation Authority to construct State transportation projects that would have otherwise been constructed by the department. This additional funding would not be increased revenue available to the county or the South Jersey Transportation Authority for its own projects. The counties or the South Jersey Transportation Authority are to utilize this funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain.

BILL DESCRIPTION

This bill revises the process by which capital projects authorized to be paid for through the New Jersey Transportation Trust Fund are to be administered.

Capital Program Consultant Reports

The Transportation Trust Fund Authority (authority) may hire engineering consultants to generate bi-annual reports which identify, for each transportation project and public transportation project, the progress achieved in expending capital funds and the progress achieved in completing capital projects. The authority may also hire an outside consultant to generate a bi-annual report on all non-project line items in the annual capital program that are not included in the engineering consultant's report. This report is to focus on the progress achieved in expending funds appropriated in the capital program and provide a description of how those funds are being expended, including but not limited to, contracts, employment levels, and measurable outcomes relating to each capital program line item.

Highway Project Priority List

The bill requires the Department of Transportation to develop an annual highway project priority list for each county. The highway project priority list is a list of State highway projects chosen by the counties in which the projects are located, from a candidate list provided by the department to the counties of all structurally deficient State bridges and State highway pavement areas in less than acceptable condition. The dollar amount of projects that a county can add to the list each year is limited by the amount of grant money a county is statutorily scheduled to receive each year through the local county aid program. The commissioner is to consider each highway project priority list for the inclusion of those projects into the capital program subject to the availability of funds. If the State is unable to begin a project on the highway project priority list that was included into the capital program within three fiscal years, the county can confer with the department, and if the department finds that allowing the county or the South Jersey Transportation Authority to take over the project is cost-effective and will expedite completion of the project, the department can transfer the project to the county or the South Jersey Transportation Authority. The department is to remain responsible for the cost of the project and provide payments to the county for the cost of the project on a reimbursement basis. If the department and county agree that a county or the South Jersey Transportation Authority is better suited to complete a project on the list, the department and county or the South Jersey Transportation Authority can form an agreement and transfer the project to a county or the South Jersey Transportation Authority in less than three years. For all projects on the list, regardless of

whether a county or the South Jersey Transportation Authority has taken over completion of a project, local aid program funds are not to be used for these projects. All projects are State projects and are to be funded with department capital appropriations. Projects on the list that are transferred to a county or the South Jersey Transportation Authority are still required to adhere to all existing State procurement laws, including those applying to bidding and business set-asides.

Project Bundling

The bill requires the department to bundle the design of certain transportation design projects funded, in whole or in part, by the Transportation Trust Fund. Projects that are eligible to be bundled are projects of similar complexity, project type, or geographic proximity, that are of similar size or design, where the bundling of design projects will not require more stringent environmental review, and whose inclusion in the program will save the department time or money. The purpose of the program is to save costs and time by allowing multiple transportation projects to be designed under a single contract. Contracts issued under the design bundling program are still required to adhere to all existing procurement laws, including those applying to bidding and business set-asides.

New Jersey Transportation Research Center

This bill establishes the New Jersey Transportation Research Center within the department. The Commissioner of Transportation is to appoint a director of the center. The director is to award research contracts to New Jersey public research institutions of higher education (institutions). The center is to identify specific areas of expertise for institutions. The institutions are to conduct research for the center in their areas of expertise, pursuant to research contracts that are awarded in a manner that is subject to all relevant existing State and federally established public bidding regulations and processes. In addition to operating and administering the center and awarding research contracts, the director is responsible for supporting institutions in obtaining and maintaining status as University Transportation Centers under the United States Department of Transportation Federal Highway Administration University Transportation Centers Program. The director may authorize competitive bidding for the awarding of research contracts, after making a determination that the department stands to benefit from additional competition in terms of quality of work product, timeliness of work product delivery, or availability of expertise in one or more specific transportation areas. This competitive bidding process is to include certain non-profit entities in addition to the New Jersey public research institutions of higher education that may be awarded a contract.

Freight Rail Assistance Program (FRAP)

This bill also permits the department to accept new applications for freight rail projects that support a safe, efficient, and effective rail freight system for up to 60 days following the effective date of this bill. These are the standards that were in place for the freight rail assistance program prior to the enactment of legislation in 2016 revising the standards for the freight rail assistance program. This will permit new project applications to be considered under both the old and the new standards for up to 60 days after the effective date of this bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services notes that producing capital program consulting reports, project bundling, and expanding FRAP criteria will not increase or decrease the amount of annual capital program revenues or appropriations, but will change the distribution of appropriations among the existing pool of available funds. To the extent that these changes in appropriations allow existing capital projects to be completed at a lower cost, the changes may have the effect of allowing more projects to be completed with the same amount of funding.

The production of capital program consulting reports will require capital program funds to be expended for the production of the reports, which would have otherwise been used on other capital program projects. These reports may result in a better selection and management of capital projects so that those capital projects are being completed faster and at a lower cost. This may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

The use of single design contracts for similar projects in a design bundle is intended to reduce costs by simplifying the scope of design work that needs to be performed on certain transportation projects. To the extent that the use of single design contracts for similar projects is successful, it may result in those projects being completed faster and at a lower cost. This may potentially result in overall capital program savings, which would then be available to be used to complete additional projects with existing resources.

Establishing the New Jersey Transportation Research Center may increase State expenditures by an indeterminate amount. It may also allow the State to qualify for additional federal capital program funding for transportation research. To the extent that the research center qualifies for more federal funding than is currently provided to the State for transportation research, this may result in an indeterminate increase in State revenue in the form of additional federal grant funding, either directly to State institutions of higher education or indirectly to these institutions with the department serving as a pass-through entity.

The highway project priority list may result in additional funding for counties to construct State transportation projects that would have otherwise been constructed by the department. This additional funding will not increase revenue available to the counties or the South Jersey Transportation Authority for their own projects. The counties or the South Jersey Transportation Authority are to utilize this State funding to construct a project in a contracting role where the department would continue to own and be responsible for the project once completed, so the county or the South Jersey Transportation Authority would experience no net gain.

Section: Authorities, Utilities, Transportation and Communications

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*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

07/23/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A4918 (Murphy/Beach, Oroho) - Requires Secretary of State to designate one-stop event planning contact person for certain events held in NJ.

[Copy of Statement on A4918](#)

S876 (Sweeney, Oroho, Singleton/DeAngelo, Bucco, Wirths) - Revises process for development and administration of Transportation Trust Fund projects and capital program oversight; establishes transportation research center.

S3207 (Smith, Greenstein, Bateman, Codey/Vainieri Huttie, Pinkin, Kennedy) - Establishes new timeframes for implementation of, and revises, certain requirements in "Global Warming Response Act."

[Copy of Statement on S3207](#)