

27:1B-21.2

LEGISLATIVE HISTORY CHECKLIST
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(Transportation--construction
financing)

NJSA: 27:1B-21.2

LAWS OF: 1992 CHAPTER: 10

BILL NO: S3

SPONSOR(S): Haines

DATE INTRODUCED: March 5, 1992

COMMITTEE: ASSEMBLY: Appropriations
SENATE: Transportation

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: April 30, 1992
SENATE: April 2, 1992

DATE OF APPROVAL: May 20, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: Yes

974.90 New Jersey. Legislature. Assembly. Transportation & Communications
T764 Committee.
1992b Committee meeting held 3-19-92. Trenton, 1992.

974.90 New Jersey. Legislature. Assembly. Transportation & Communications
T764 Committee.
1992 Committee meeting held 3-3-92. Trenton, 1992.

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§§3,5
C.27:1B-21.2,
27:1B-21.3
§4
T&E and
Note to §3
§6
Note to §§1-5

P.L.1992, CHAPTER 10, *approved May 20, 1992*
1992 Senate No. 3 (*Third Reprint*)

1 AN ACT concerning the financing of the State's transportation
2 system, amending P.L.1987, c.460, and amending and
3 supplementing P.L.1984, c.73.

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

7 1. Section 3 of P.L.1984, c.73 (C.27:1B-3) is amended to read
8 as follows:

9 3. The following words or terms as used in this act shall have
10 the following meaning unless a different meaning clearly appears
11 from the context:

12 a. "Act" means this New Jersey Transportation Trust Fund
13 Authority Act of 1984.

14 b. "Authority" means the New Jersey Transportation Trust
15 Fund Authority created by section 4 of this act.

16 c. "Bonds" means bonds issued by the authority pursuant to the
17 act.

18 d. "Commissioner" means the Commissioner of Transportation.

19 e. "Department" means the Department of Transportation.

20 f. "Federal aid highway" means any highway within the State
21 in connection with which the State receives payment or
22 reimbursement from the federal government under the terms of
23 Title 23, United States Code or any amendment, successor, or
24 replacement thereof, for the purposes contained in the act.

25 g. "Federal government" means the United States of America,
26 and any officer, department, board, commission, bureau, division,
27 corporation, agency or instrumentality thereof.

28 h. "New Jersey Expressway Authority" means the public
29 corporation created by section 4 of chapter 10 of the Laws of
30 New Jersey of 1962 as amended or its successor.

31 i. "New Jersey Highway Authority" means the public
32 corporation created by section 4 of chapter 16 of the Laws of
33 New Jersey of 1952 as amended or its successor.

34 j. "New Jersey Turnpike Authority" means the public
35 corporation created by section 3 of chapter 454 of the Laws of
36 New Jersey of 1948 as amended or its successor.

37 k. "Notes" means the notes issued by the authority pursuant to
38 the act.

39 l. "Public highways" means public roads, streets, expressways,
40 freeways, parkways, motorways and boulevards, including bridges,
41 tunnels, overpasses, underpasses, interchanges, rest areas,
42 express bus roadways, bus pullouts and turnarounds, park-ride

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:

¹ Senate STR committee amendments adopted March 16, 1992.

² Senate SBA committee amendments adopted March 30, 1992.

³ Assembly AAP committee amendments adopted April 30, 1992.

1 facilities, traffic circles, grade separations, traffic control
2 devices, the elimination or improvement of crossings of railroads
3 and highways, whether at grade or not at grade, and any
4 facilities, equipment, property, rights of way, easements and
5 interests therein needed for the construction, improvement and
6 maintenance of highways.

7 m. "Public transportation project" means, in connection with
8 public transportation service, passenger stations, shelters and
9 terminals, automobile parking facilities, ramps, track
10 connections, signal systems, power systems, information and
11 communication systems, roadbeds, transit lanes or rights of way,
12 equipment storage and servicing facilities, bridges, grade
13 crossings, rail cars, locomotives, motorbuses and other motor
14 vehicles, maintenance and garage facilities, revenue handling
15 equipment and any other equipment, facility or property useful
16 for or related to the provision of public transportation service.

17 n. "State agency" means any officers, department, board,
18 commission, bureau, division, agency or instrumentality of the
19 State.

20 o. "Toll road authorities" means and includes the New Jersey
21 Turnpike Authority, the New Jersey Highway Authority and the
22 New Jersey Expressway Authority.

23 p. "Transportation project" means, in addition to public
24 highways and public transportation projects, any equipment,
25 facility or property useful or related to the provision of any
26 ground, waterborne or air transportation for the movement of
27 people and goods.

28 q. "Transportation system" means public highways, public
29 transportation projects, other transportation projects, and all
30 other methods of transportation for the movement of people and
31 goods.

32 r. "Maintenance" means, in relation to public transportation
33 projects, ²direct costs of² work necessary ²[or useful]² for
34 [preventing or delaying the deterioration, or preserving or
35 maintaining] ²[extending] preserving or maintaining² the useful
36 life[,] of public transportation projects ²[and shall not apply to
37 other transportation projects] , provided the work performed is
38 associated with the acquisition, installation and rehabilitation of
39 components which are not included in the normal operating
40 maintenance of equipment and facilities or replaced on a
41 scheduled basis². The work shall [ensure] ²[extend] ensure² the
42 useful life of the project for not less than [three] ²[five] four²
43 years ²and shall not include routine maintenance or inspection of
44 equipment and facilities that is conducted on a scheduled basis².
45 This definition shall not apply to the term "maintenance" as used
46 in subsection l. of this section.

47 (cf: P.L.1991, c.40, s.2)

48 2. Section 8 of P.L.1987, c.460 (C.27:1B-21.1) is amended to
49 read as follows:

50 8. a. Commencing with the report of the commissioner
51 required to be submitted pursuant to section 22 of P.L.1984, c.73
52 (C.27:1B-22) on or before March 1, 1988 for the fiscal year
53 commencing July 1, 1988 and for the reports of the commissioner
54 required to be submitted pursuant thereto for each ³[of the next

1 six fiscal years] fiscal year through the fiscal year commencing
2 July 1, 1989³, the amount reported by the commissioner for
3 proposed projects to be financed shall not exceed \$365,000,000.00
4 exclusive of federal funds, ³[for each of those fiscal years]³
5 except that ³[in the] for³ fiscal [year] years commencing July 1,
6 1990 and [in the fiscal year commencing July 1, 1991] thereafter
7 the amount shall not exceed \$565,000,000 exclusive of federal
8 funds, except as provided herein. If, in the discretion of the
9 commissioner, a greater amount is determined to be necessary to
10 meet the financing requirements for the ensuing fiscal year, the
11 commissioner may include in a report an amount in excess of
12 \$365,000,000.00 exclusive of federal funds or in excess of
13 \$565,000,000 exclusive of federal funds ³[in the] for³ [two] ³the³
14 fiscal years in which ³[an additional appropriation is such
15 authorized] appropriations above those limits are permitted
16 pursuant to subsection b. of this section³; provided that in no
17 event shall that amount be an amount greater than 105% of that
18 \$365,000,000.00 or of that \$565,000,000 respectively.

19 In any fiscal year for which an amount exceeding
20 \$365,000,000.00 exclusive of federal funds or ³an amount³
21 exceeding \$565,000,000 exclusive of federal funds ³[in the [two]
22 fiscal years in which an additional appropriation is authorized,]³
23 was appropriated pursuant to subsection b. of this section, the
24 commissioner shall report on or before March 1 of that fiscal
25 year for the ensuing fiscal year an amount for proposed projects
26 to be financed not greater than the maximum amount authorized
27 to be appropriated for that ensuing fiscal year pursuant to
28 subsection b. of this section.

29 b. ³[Commencing with] For³ the fiscal year beginning on July
30 1, 1988 and for ³[each of the next six fiscal years] the fiscal year
31 beginning on July 1, 1989³, the total amount authorized to be
32 appropriated from the revenues and other nonfederal funds of the
33 New Jersey Transportation Trust Fund Authority for the projects
34 listed in the appropriations act pursuant to section 21 of
35 P.L.1984, c.73 (C.27:1B-21), shall not exceed \$365,000,000.00
36 exclusive of federal funds ³[in any fiscal year except that in the
37 fiscal [year commencing July 1, 1990 and the fiscal year
38 commencing July 1, 1991] years in which an additional
39 appropriation is authorized] and for fiscal years beginning on July
40 1, 1990 and through the fiscal year beginning on July 1, 1994³ the
41 amount shall not exceed \$565,000,000 exclusive of federal funds,
42 except as provided herein. If, in any fiscal year ³through the
43 fiscal year commencing on July 1, 1991³, a greater amount is
44 determined to be necessary to meet the financing requirements,
45 the amount appropriated may be in excess of \$365,000,000.00
46 exclusive of federal funds or in excess of \$565,000,000 exclusive
47 of federal funds ³[in the [two] fiscal years in which an additional
48 appropriation is authorized]³; provided that ³in any such year³:
49 (1) in no event shall there be appropriated an amount greater than
50 105% of that \$365,000,000.00 or of that \$565,000,000 ³[in any of
51 the [two] fiscal years in which an additional appropriation is
52 authorized]³, and provided further, that (2) if, pursuant to
53 paragraph (1) of this subsection, ³(i)³ a greater fiscal year
54 appropriation is authorized in excess of ³the³ \$365,000,000

1 limit³ for a fiscal year, the ensuing fiscal year appropriation is
2 to be reduced by the same amount that the appropriation for that
3 fiscal year exceeds \$365,000,000, ³[except that in the [two] fiscal
4 years in which an additional appropriation is authorized the
5 appropriation for] or, (ii) a greater fiscal year appropriation is
6 authorized in excess of the \$565,000,000 limit for a fiscal year,³
7 the ensuing fiscal year ³appropriation³ is to be reduced by the
8 ³same³ amount ³that³ the appropriation ³for that fiscal year³
9 exceeds \$565,000,000.

10 c. (Deleted by amendment, P.L.1991, c.40).

11 d. ³[For the purposes of this section, "the [two] fiscal years in
12 which an additional appropriation is authorized" means the fiscal
13 years commencing July 1, 1990 and [July 1, 1991] thereafter]
14 (Deleted by amendment, P.L. , c.)(now pending before the
15 Legislature as this bill)³.

16 e. The ³[department] State Auditor³ shall develop procedures
17 for the auditing of expenditures made by the department and the
18 New Jersey Transit Corporation from funds appropriated [on and
19 after the effective date of P.L.1991, c.40] for transportation
20 projects from the revenues of the authority and shall cause ³[an]
21 a semi-annual³ audit to be made of these expenditures in order to
22 determine the extent to which these funds are expended for costs
23 directly related to the projects, including but not limited to
24 salaries and other administrative expenses. ¹[The eligibility of
25 salary and administrative expenses as costs directly related to
26 the projects shall be determined by applying the same criteria as
27 specified at 23 C.F.R. §§140.701-140.715 in effect on April 1,
28 1991.]¹ ³[This audit] The findings of such audits³ shall be
29 ³[subject to review by the State Auditor and]³ transmitted ³[not
30 less than annually]³ to the presiding officer of each House of the
31 Legislature, and to the Chair of the Senate [Revenue, Finance]
32 Budget and Appropriations Committee, the Senate Transportation
33 [and Public Utilities] Committee, the Assembly Appropriations
34 Committee, and the Assembly Transportation and
35 Communications Committee [, and the Assembly Transportation
36 Authorities, Telecommunications and Technology Committee] or
37 their successors. ²In addition, the ³[department] State Auditor³
38 shall audit expenditures made for maintenance of public
39 transportation projects every six months and shall transmit the
40 findings of these audits to the Chairs of the Senate
41 Transportation Committee and the Assembly Transportation and
42 Communications Committee.²

43 ³f. Until the filing of a public issuer's annual report by the
44 Transportation Trust Fund Authority pursuant to section 12 of the
45 "New Jersey Bond Review Board Act," P.L. , c. (C.)(now
46 pending before the Legislature as Assembly Bill, No. 1199 of
47 1992), the State Auditor shall review bond issuances of the
48 authority and report to the Joint Budget Oversight Committee
49 and to the members of the Senate Budget and Appropriations
50 Committee and the Assembly Appropriations Committee, or their
51 successors, on the status of the bonds of the authority and
52 projects financed from the proceeds of the bonds. The report
53 shall include the investment status of all unexpended bond
54 proceeds and provide a description of any bond issues expected

1 during a fiscal year, including type of issue, estimated amount of
2 bonds to be issued and the expected month of sale.³

3 (cf: P.L.1991, c.40, s.6)

4 ¹3. (New section) a. The State amount appropriated from the
5 revenues and other funds of the Transportation Trust Fund
6 Authority for transportation projects for any fiscal year
7 commencing on or after July 1, 1992 may be utilized for the costs
8 of salaries, wages and related payroll expenses incurred for
9 periods of time public employees are actively engaged, either
10 directly or indirectly, in the following transportation
11 project-related activities:

12 (1) Preliminary engineering, which ²[includes] means² location,
13 design, and related work preparatory to the advancement of a
14 project to physical construction.

15 (2) Construction engineering, which ²[includes] means² the
16 supervision and inspection of construction activities; additional
17 staking functions considered necessary for effective control of
18 the construction operation; testing material incorporated into
19 construction; checking shop drawings; and measurements needed
20 for the preparation of pay estimates.

21 (3) Acquisition of rights-of-way, which ²[includes] means² the
22 preparation of right-of-way plans; making economic studies and
23 other related preliminary work; appraisal for parcel acquisition;
24 review of appraisals; preparation for and trial of condemnation
25 cases; management of properties acquired; furnishing of
26 relocation advisory assistance; and other related labor expenses.

27 (4) Highway and public transportation planning which
28 ²[includes] means² the orderly and continuing assembly and
29 analysis of information about highways and public transportation,
30 such as the history of development and their extent, dimensions
31 and conditions, use, economic and social effects, costs and future
32 needs.

33 (5) Research and development which ²[includes] means² the
34 search for more complete knowledge of the characteristics of the
35 highway and public transportation systems and the translation of
36 the results of research into practice.

37 (6) Administrative settlement costs - contract claims which
38 ²[include] means² services related to the review and defense of
39 claims against transportation projects.

40 ²(7) The costs incurred for analysis and award of contracts and
41 agreements, auditing, environmental ³[, community involvement
42 and traffic mobility] and bridge inspection³ work directly
43 chargeable to, and for the benefit of, specific transportation
44 projects.²

45 b. The cost of commercial transportation, privately owned
46 automobiles, and per diem or subsistence which is essential to the
47 prosecution of the project and is performed in accordance with
48 prescribed procedures shall also be allowable as shall the use of
49 privately owned automobiles and per diem or subsistence which is
50 incurred in conformance with established policy of the
51 department or the corporation or of a county or municipality ²,
52 as appropriate².

53 c. (1) The costs of leave, that is, annual, sick, military, jury
54 and so forth, that is earned, accounted for, and used in

1 accordance with established procedures. The cost of such leave
2 must be equally distributed to all activities, and the pro rata
3 costs must be representative of the amount that is earned and
4 accrued while working on the project.

5 (2) Compensatory leave granted in lieu of payment of overtime
6 to eligible employees may be funded if accrued and granted under
7 established policies on a uniform basis. Such leave costs must
8 meet the criteria ²[discussed] set forth² in paragraph (1) of this
9 subsection.

10 d. General administration, supervision and other unallowable
11 overhead costs of a transportation project, which are not to be
12 funded from State revenues of the authority, are those considered
13 necessary for the management, supervision and administrative
14 control of the department and the corporation. Examples of such
15 unallowable costs may include, but are not limited to, the
16 following types of personnel, related payroll benefit costs and
17 other administrative or support services:

18 (1) Directors, department heads, legal, accounting, budgeting,
19 personnel, and procurement units.

20 (2) Related clerical, secretarial, and other support services for
21 officials and personnel listed in paragraph (1) of this subsection.

22 (3) Management, supervision and administrative overhead costs
23 incurred by other units or departments of State, county or
24 municipal governmental organizations.

25 e. Costs incurred for services rendered by employees generally
26 classified as administrative may, however, be funded from the
27 revenues of the authority for:

28 (1) A highway or transportation planning unit and a research
29 and development unit, in the ratio of time spent on the
30 participating portion of work in the unit to the total unit's
31 working hours, and

32 (2) Other operating units if those employees are assigned for
33 specific identifiable periods of time to perform project-related
34 activities in the same manner as operating personnel.¹

35 ^{14.} (New section) The State amount appropriated from the
36 revenues and other funds of the authority for transportation
37 projects for the fiscal year commencing on July 1, 1992 shall not
38 include any amount for salaries and other administrative expenses
39 of employees of the department and the corporation in excess of
40 six and one-half percent of the total amount, including State and
41 federal funds, appropriated or otherwise made available for that
42 fiscal year for these projects. Nothing in this section shall be
43 construed as limiting the ability of the State to request
44 reimbursement from the federal government for federally
45 authorized costs.¹

46 ¹[3.] ^{5.}¹ (New section) Notwithstanding the provisions of any
47 other law to the contrary, the amount required to be reported
48 pursuant to section 22 of P.L.1984, c.73 (C.27:1B-22) and the
49 amount appropriated in any fiscal year commencing on or after
50 July 1, 1993 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21)
51 shall not include any amount for the maintenance of public
52 transportation projects as defined in subsection r. of section 3 of
53 P.L.1984, c.73 (C.27:1B-3).

54 ¹[4.] ^{6.}¹ This act shall take effect immediately and shall apply

1 to the fiscal years commencing on or after July 1, 1992 and to
2 reports of proposed projects for those years.

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7 _____
8 Increases maximum permissible level of annual transportation
9 construction program financing and deals with maintenance and
other project costs.

1 revenues of the authority and shall cause an audit to be made of
2 these expenditures in order to determine the extent to which
3 these funds are expended for costs directly related to the
4 projects, including but not limited to salaries and other
5 administrative expenses. The eligibility of salary and
6 administrative expenses as costs directly related to the projects
7 shall be determined by applying the same criteria as specified at
8 23 C.F.R. §§140.701-140.715 in effect on April 1, 1991. This
9 audit shall be subject to review by the State Auditor and
10 transmitted not less than annually to the presiding officer of each
11 House of the Legislature, and to the Chair of the Senate
12 [Revenue, Finance] Budget and Appropriations Committee, the
13 Senate Transportation [and Public Utilities] Committee, the
14 Assembly Appropriations Committee, and the Assembly
15 Transportation and Communications Committee [, and the
16 Assembly Transportation Authorities, Telecommunications and
17 Technology Committee] or their successors.

18 (cf: P.L.1991, c.40, s.6)

19 3. (New section) Notwithstanding the provisions of any other
20 law to the contrary, the amount required to be reported pursuant
21 to section 22 of P.L.1984, c.73 (C.27:1B-22) and the amount
22 appropriated in any fiscal year commencing on or after July 1,
23 1993 pursuant to section 21 of P.L.1984, c.73 (C.27:1B-21) shall
24 not include any amount for the maintenance of public
25 transportation projects as defined in subsection r. of section 3 of
26 P.L.1984, c.73 (C.27:1B-3).

27 4. This act shall take effect immediately and shall apply to the
28 fiscal years commencing on or after July 1, 1992 and to reports
29 of proposed projects for those years.

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Spencer STATEMENT

32

33 Commencing in the State fiscal year 1993, this bill increases
34 the "cap" to \$565 million, an increase of \$200 million, on funds
35 which may be appropriated from the New Jersey Transportation
36 Trust Fund Authority for transportation projects. This amount
37 meets the requirements of the FY 1993 proposed transportation
38 program and assures the receipt of all federal funds. In addition,
39 the continuation of a cap maintains the viability of the Trust
40 Fund Authority to continue to fund transportation projects, and
41 promotes the development of a rational transportation program in
42 future years.

43 The bill also redefines public transit maintenance expenditures
44 eligible for Trust Fund monies in fiscal year 1993, and prohibits
45 the use of any Trust Fund monies thereafter for maintenance
46 purposes. This will discontinue the use of Fund monies to fund
47 operational costs.

48 Lastly, to address the Legislature's concern regarding the use
49 of Trust Fund monies for salaries and administrative costs, the
50 bill provides criteria for the eligibility of such costs which may
51 be charged against the Trust Fund. The criteria follow federal
52 guidelines and provide resources for the Department of
53 Transportation to implement the Transportation Trust Fund
54 projects.

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2

3 **Increases maximum permissible level of annual transportation**
4 **construction program financing and deals with maintenance and**
5 **other project costs.**

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

SENATE, No. 3

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: APRIL 23, 1992

The Assembly Appropriations Committee reports favorably Senate Bill No. 3 (2R), with committee amendments.

Senate Bill No. 3 (2R), as amended, increases the annual limitation on the maximum permissible appropriation from the New Jersey Transportation Trust Fund Authority for transportation projects from \$365 million to \$565 million. The Transportation Trust Fund Authority capital program, as revised by P.L.1987, c.460, was to be a level \$365 million for each of seven fiscal years through fiscal year 1995. Chapter 40 of P.L.1991 raised the cap for the 1991 and 1992 fiscal years. This bill extends the cap increase through fiscal year 1995. The bill redefines public transit maintenance expenditures eligible for Trust Fund monies in fiscal year 1993 and prohibits the use of any Trust Fund monies thereafter for maintenance purposes.

The bill also establishes criteria, based on federal guidelines, for determining which salary and administrative costs of Department of Transportation and New Jersey Transit employees may be charged against the Trust Fund.

This bill, as amended, is identical to Assembly Bill No. 1060(1R), as amended by this committee.

COMMITTEE AMENDMENTS:

The committee amendments clarify the fiscal years under which the original appropriations cap applied and the fiscal years under which the increased cap applies. The amendments also discontinue after fiscal year 1992 the authority for the Commissioner of Transportation to request, and for appropriations to be provided, in excess of the new cap. The amendments also require the State Auditor to report on semi-annual audits of the expenditure of appropriations to determine if the funds are used for direct costs related to projects, and on audits every six months on expenditures made for maintenance. Also, until the review of bond issuances and proceeds by the New Jersey Bond Review Board is required, as proposed in Assembly, No. 1199 of 1992, the amendments require the State Auditor to review bond issuances of the authority, the status of bonding and projects financed through the authority, as well as the investment status of unexpended bond proceeds and anticipated bond issuances. Bridge inspection work was added to language concerning incurred costs.

FISCAL IMPACT:

This bill increase the authorized Transportation Trust Fund capital program for Fiscal Years 1993, 1994 and 1995 from \$365,000,000 to \$565,000,000. The increased authorization will not require an increase in the annual \$331,000,000 appropriation from the General Fund to the Trust Fund Account.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 3

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 16, 1992

The Senate Transportation Committee favorably reports Senate Bill No. 3 with committee amendments.

Commencing in the State fiscal year 1993, this amended bill increases the "cap" to \$565 million, an increase of \$200 million, on funds which may be appropriated from the New Jersey Transportation Trust Fund Authority for transportation projects. This amount meets the requirements of the FY 1993 proposed transportation program and assures the receipt of all federal funds. In addition, the continuation of a cap maintains the viability of the Trust Fund Authority to continue to fund transportation projects, and promotes the development of a rational transportation program in future years.

The bill also redefines public transit maintenance expenditures eligible for Trust Fund monies in fiscal year 1993, and prohibits the use of any Trust Fund monies thereafter for maintenance purposes. This will discontinue the use of Trust Fund monies to fund operational costs.

Lastly, to address the Legislature's concern regarding the use of State Trust Fund monies for salaries and administrative costs of departmental and New Jersey Transit employees, the bill provides criteria for the eligibility of such costs which may be charged against the Trust Fund. The criteria follow federal guidelines and provide resources for the Department of Transportation to implement the Transportation Trust Fund projects.

The committee amended the bill to specify in detail the types of transportation project activities which would be eligible for Trust Fund funding, based upon the Federal guidelines currently in effect. Another new section was added providing that, with regard to fiscal year 1993, Trust Fund funding for salaries and administrative expenses attributable to DOT and NJ Transit employees paid from State sources would not be funded in excess of six and one-half percent of the total cost, including both State and federal, of the projects to be funded by the Trust Fund for that fiscal year. Also, the ability of the State to request reimbursement from the federal government for federally authorized costs shall not be limited by this section.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001
Contact:

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TRENTON, N.J. 08625

Release:

Wednesday
May 20, 1992

GOVERNOR FLORIO SIGNS "CAP LIFT" TRANSPORTATION FUNDING BILL

OLD BRIDGE -- Keeping a pledge to help New Jersey fight the national recession, Governor Jim Florio today signed into law one of the key items he proposed in his call for the state's economic recovery: legislation that will enable the Department of Transportation and NJ Transit to undertake one of the most ambitious public works programs in the state's history and create tens of thousands of jobs.

"New Jersey Works isn't just a sign on the highway. It's a spirit and a vision of a New Jersey headed for the fast lane of the 21st century," Governor Florio. "We know that a key to New Jersey's economic future is moving people comfortably and on time. That's vital to our workforce, our tourists and our quality of life. By eliminating our spending cap once and for all, this law becomes the centerpiece of our \$1.46 billion capital program that is the largest in the history of our state."

"Eliminating the cap spells economic relief for New Jerseyans that will be felt from Bergen County to Cape May by creating jobs for our people over the next few years. And that means money in the bank, food on the table and new spending in our retail economy from one end of the Garden State to the other. That's another way New Jersey is working," he said.

The Governor signed the bill during ceremonies at construction sites in Middlesex and Camden counties. The bill, S 3, was sponsored by Senator William Haines. Coupled with a federal transportation funding bill enacted earlier this year, the new law will give New Jersey the means to invest more than \$1.46 billion in fiscal year 1993 to build and repair its highway and mass transit systems.

Governor Florio called for the legislation in his 1992 State of the State address to complete infrastructure improvements critical to the state's economic recovery and create construction jobs. The funding comes from untapped bonding capacity in the Transportation Trust Fund that can be retired with existing gas tax and other revenues.

The Governor signed the bill in Old Bridge at the site of an \$11.8 million project to construct a new six-lane bridge carrying Route 9 over Ernston Road. A second bill-signing ceremony was then held in Cherry Hill where the DOT is widening Route 70 to three lanes and eliminating the Race Track and Ellisburg Circles.

"These projects are excellent examples of the types of transportation improvements we will be seeing throughout New Jersey in the years ahead, thanks to the action we have taken today," Governor Florio said. "We're creating jobs and boosting the economy of the state at a time when we need it most. And by freeing up our savings in our Transportation Trust Fund, we're building vital highway and transit projects without touching a dime of our taxpayers' money."

The legislation makes permanent a \$200 million increase in the trust fund's \$365 million annual spending cap that was enacted two years ago as a temporary measure and was set to expire June 30. Without a permanent cap lift, the state would have been unable to take full advantage of the new federal program and this year alone could have been forced to leave \$263 million of aid in Washington.

For the 1993 fiscal year starting July 1, the cap lift would finance a record \$1.46 billion capital program proposed by the DOT and NJ Transit. The project list, which awaits separate legislative action as part of the budget process, is expected to generate 43,000 jobs in construction, design and related industries.

Transportation Commissioner Tom Downs said, "Congressman Bob Roe and Senator Frank Lautenberg did yeoman's work crafting a new federal transportation bill that truly serves New Jersey. With the permanent cap lift, we have now done our part on the state level to guarantee New Jersey reaps the full benefits."

Without the cap lift, Downs said, the \$1.46 billion program proposed for fiscal 1993 would have been cut to \$996 million, resulting in 13,000 lost job opportunities. Local aid, resurfacing projects and betterment work to the state highway system would have been scaled back, he said.

Also, the cap lift ensures that New Jersey will be able to take full advantage of a "soft match" provision in the new federal program that enables states to cite toll road investments as their matching contribution for federal aid. The provision gives the states new flexibility in how they allocate their own funds.

The cap lift will help New Jersey tackle a backlog of road and bridge repair projects. Much of the state's highway system was built during the New Deal era of the 1930s and after World War II and now requires major rehabilitation work because repairs were not kept up over the years.

More than 40 percent of the combined DOT and NJ Transit capital program proposed for fiscal 1993 would be devoted to this repair work, including \$100 million for local aid. The work includes reconstruction along Route 80, resurfacing of Route 17 and Route 41, redecking bridges and improving the Hoboken, Rahway, Elizabeth, Trenton, Maplewood and Denville train stations.

The cap lift also will help the state achieve its goals of improving mass transit, employing new technology to attack congestion and boosting the tourism and freight movement industries.

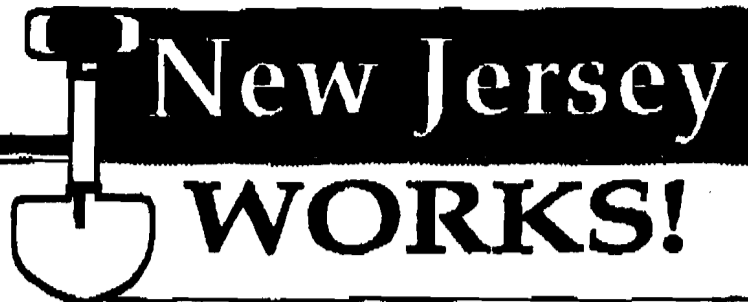
The Transportation Trust Fund, created in 1984, receives seven cents of the 10.5-cent per gallons state gas tax, trucking fees, and \$24.5 million annually from the Garden State Parkway, New Jersey Turnpike and Atlantic City Expressway. The trust fund also has the authority to issue debt.

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Route 9/Ernston Road Overpass

- This \$11.8 million project replaces the at-grade intersection in Old Bridge Township with an overpass and ramps.
- The six-lane overpass will carry Route 9 over Ernston Road and eliminate chronic congestion at this location.
- The project is scheduled for completion by the end of 1993 and is 100% state funded. Conti Enterprises Inc. of South Plainfield is the contractor.
- Commuter parking lost when Route 9 traffic was shifted onto a temporary roadway as construction began was replaced through a joint project involving NJ TRANSIT and a private developer, Middlesex Builders. More than 900 parking spaces are available for commuters in a new park-ride lot located south of the Ernston Road/Route 9 intersection.



Route 70 projects

- Construction is underway along Route 70 on three inter-related projects that will produce a widened three-lane highway and eliminate two traffic circles. The collective cost of these three projects is approximately \$30 million.
- The first project involves widening Route 70 from two to three travel lanes in each direction between Springdale Road in Cherry Hill to west of the Interstate 295 interchange. Bellezza Construction Inc. of South Kearny is the contractor. The project is scheduled to be completed by December, 1993.
- The second project will eliminate the Race Track Circle in Cherry Hill. Traffic will be controlled by a new signal. R. T. Winzinger Corp. of Hainesport and Arawak Paving Co. of Hammonton are the contractors. The project, originally scheduled for completion in December, 1993, is ahead of schedule and may be completed by the end of 1992.
- The third project will eliminate the Ellisburg Traffic Circle in Cherry Hill. Traffic will be controlled by a new signal. James J. Anderson of Philadelphia is the contractor. The project is scheduled to be completed by October, 1993.
- The safety improvements resulting from these projects include elimination of left turns at intersections through the construction of jughandles, addition of shoulders where required to provide a continuous shoulder along the entire segment and improved signage and signalization.