



State of New Jersey
DEPARTMENT OF TRANSPORTATION
P.O. Box 600
Trenton, New Jersey 08625-0600

JON S. CORZINE
Governor

STEPHEN DILTS
Commissioner

May 20, 2009

Honorable Barbara Buono
Chair
Senate Budget and Appropriations Committee
State House Annex
P.O. Box 068
Trenton, NJ 08625-0068

JUN 2 10 17 AM '09
OFFICE OF
LEGISLATIVE
SERVICES

Re: May 11, 2009 Senate Budget and Appropriations Committee Hearing

Dear Chairman Buono:

It was a pleasure to testify before your committee on May 11, 2009 regarding the FY 2010 budget requirements of the New Jersey Department of Transportation, NJ Transit, and the Motor Vehicle Commission. I hope that my testimony and responses to questions raised were helpful in understanding the programmatic and financial challenges we face in the upcoming year.

With respect to the follow-up questions that were listed in your May 13 letter, I am attaching responses to each question. Under separate cover you will receive responses to your May 13 letters to Chief Administrator Harrington and Executive Director Sarles.

If you have any other questions or concerns, please let me know.

Sincerely,


Stephen Dilts
Commissioner

Enclosure

c: Richard R. Sarles, Sr., Executive Director, NJ Transit Corp.
Sharon A. Harrington, Chief Administrator, NJ MVC
R. David Rousseau, NJ State Treasurer
David Rosen, OLS



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NJDOT Follow-Up Response to Senate Budget Committee Questions

Senator Turner:

- **Please provide the committee information on the number and locations of training sessions/workshops held by the DOT for disadvantaged business owners (minorities and woman).**

On March 3, 2009 and April 4, 2009 NJDOT hosted Working with NJDOT "Preparation for the Economic Recovery Program" at NJDOT Headquarters in Ewing, NJ. These events provided disadvantaged business owners with an overview of Capital Program/Stimulus Projects; electronic bidding at NJDOT; the procurement process; and specific information related to successfully completing an NJDOT project.

On June 30, 2009 NJDOT will host, at NJDOT Headquarters in Ewing, a session to make disadvantaged business owners aware of upcoming opportunities in construction inspection.

NJDOT is in the process of developing "DBE Application Completion" sessions along with New Jersey Transit and the Office of Supplier Diversity. These sessions will begin this summer and will take place in Ewing, Camden and Newark.

NJDOT is also planning additional outreach events that will target specific work categories that could participate on NJDOT's Capital Program/Stimulus Projects. These sessions will also begin this summer and will take place in Ewing, Camden and Newark.

Senator Oroho:

- **Please provide the committee with a breakdown of the current levels of debt incurred by the Transportation Trust Fund Authority.**

The New Jersey Transportation Trust Fund Authority (NJTTFA) currently has \$10.1 billion in bonds outstanding. In addition, NJ TRANSIT (NJT) has debt outstanding which it pays from annual Transportation Trust Fund appropriations. Although this debt is not a legal obligation of the Authority, the NJTTFA must ensure that NJT debt service is paid from current appropriation revenue and not bond proceeds. The combined aggregate debt service payments supported by the NJTTFA for both agencies that must be paid from the \$895 million appropriation is estimated to be \$825 million for FY 2010 as shown below:

DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements in each Fiscal Year on all Outstanding Bonds of the Authority, including the 2008 Series A Bonds.

<u>Fiscal Year ended June 30</u>	<u>Outstanding Bonds*</u>	<u>2008 Series A Bonds</u>	<u>Total Debt Service</u>
2009	\$765,643,496	\$28,582,344	\$794,225,841
2010	774,602,106	50,439,431	825,041,538
2011	773,768,054	50,439,431	824,207,485
2012	773,993,360	50,439,431	824,432,791
2013	773,770,229	50,439,431	824,209,660
2014	773,313,963	50,439,431	823,753,394
2015	771,718,805	50,439,431	822,158,236
2016	772,205,570	50,439,431	822,645,001
2017	766,039,483	50,439,431	816,478,914
2018	766,453,989	50,439,431	816,893,420
2019	758,762,871	50,439,431	809,202,303
2020	768,427,473	50,439,431	818,866,904
2021	769,815,241	50,439,431	820,254,672
2022	769,814,338	50,439,431	820,253,769
2023	769,813,688	50,439,431	820,253,119
2024	391,554,569	123,032,106	514,586,675
2025	370,353,100	92,632,906	462,986,006
2026	370,354,225	164,519,156	534,873,381
2027	370,355,975	64,078,047	434,434,022
2028	370,351,475	63,009,578	433,361,053
2029	370,349,725	122,038,297	492,388,022
2030	370,354,350	58,592,131	428,946,481
2031	370,353,850	57,633,894	427,987,744
2032	370,351,350	56,680,513	427,031,863
2033	370,354,475	160,705,931	531,060,406
2034	370,355,475	160,889,231	531,244,706
2035	370,351,475	161,115,475	531,466,950
2036	370,352,394	294,780,831	665,133,225
2037	370,353,538	199,321,294	569,674,831
2038	<u>81,997,256</u>	508,461,756	590,459,013
2039		<u>531,939,744</u>	<u>531,939,744</u>
Total [†]	<u>\$16,836,285,894</u>	<u>\$3,554,165,273</u>	<u>\$20,390,451,167</u>

* Includes bonds issued by the Authority and bonds whose debt service is payable by the Authority.

† Totals may not add due to rounding.

- **Please provide the committee with a list of the on-going shared services initiatives the DOT has with counties and municipalities.**

Current examples of shared services include:

Bureau of Equipment:

Bureau of Equipment has agreements for fuel services with Bridgewater, Hamilton, Robbinsville and Woodbridge.

South Region:

South Region Maintenance Crews spread & plow State Police barracks

South Region Red Lion Maintenance Crew 434 occasionally patches potholes at South Jersey Regional Airport (owned by NJDOT, this request come through Aeronautics)

South Region Folsom Landscaping Crew 451 shares salt with Folsom Boro .

In addition, South Region garages fix State Government vehicles for other agencies.

Central Region:

Central Region has a shared service agreement with Hamilton Township (Mercer County) to obtain CNG from its Hamilton Yard facility; with the Woodbridge Township School District to obtain diesel and gasoline from its Keasbey facility, and with Robbinsville to obtain fuel from its Washington Township facility.

Central Region also has mechanics who service vehicles from other State agencies.

North Region:

Region North currently has two written shared service agreements for salt:

Mountainside Winter Yard has an agreement with the Borough of Mountainside

Port Colden Maintenance Yard has an agreement with Mansfield Township

Senator Pennacchio:

- **Please provide the committee the actual cost savings and number of positions eliminated as a result of the consolidation of the New Jersey Turnpike Authority and the New Jersey Highway Authority.**

Consolidation saves the New Jersey Turnpike Authority approximately \$9 million annually. This savings comes from a variety of areas, including the reduction in headcount. Other means of cost savings are leveraged buying power through the combined agencies, reduction in insurance costs, and elimination of duplicative processes (including personnel).

Consolidation will have enabled the Authority to eliminate a total of 480 jobs by year's end.

- **Please compare the vehicle miles traveled in the State of New Jersey with the vehicle miles traveled in other States.**

<u>State</u>	<u>Vehicle miles traveled*</u> <u>(in Millions)</u>
DE	9,508
MD	56,319
NJ	73,819
PA	108,042
NY	137,521

* Source: USDOT FHWA Highway Statistics 2005 Selected Measures for Identifying Peer States

Please note that the VMT, as reported in the aforementioned USDOT FHWA is slightly different than the NJDOT's Bureau of Transportation Data Development, Roadway Systems Section reports. NJDOT's number for VMT in 2005 is 74,123 (in millions).

Senator Haines:

- **Please provide the committee a project schedule for the New Jersey Turnpike widening project between Interchanges 6 and 9, and a list of properties to be purchased including properties acquired through eminent domain. Please also provide a copy of the traffic study justifying the need for the project.**

Construction on the widening project will begin in June 2009 and be completed by 2013.

Lists of properties purchased, acquired through condemnation, in negotiation to be purchased or authorized for Condemnation is attached. Due to its length, we recommend you review the Turnpike Widening Environmental Impact Statement which can be found online at: <http://www.njturnpikewidening.com/documents.asp>.

- **Please explain to the committee why DOT recently hired a person as a confidential assistant at an annual salary of \$50,000 with a hiring freeze in effect. Also, please provide a status report on the DOT hiring freeze.**

The hiring freeze at the Department is on-going; however there exist some titles which are exempt from the freeze, while other positions may be reviewed for exemption on a case by case basis by the Civil Service Commission, as was the case with the assistant mentioned above. That staffer is on assignment to the Governor's Office.

Senator Karrow:

- **Please explain to the committee the federal funds available to New Jersey from the American Recovery and Reinvestment Act (ARRA) through the Capital Investment Grants Program that authorizes the Secretary of Transportation to make discretionary grants.**

The American Recovery and Reinvestment Act made available \$1.5 billion in TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants for capital investment in surface transportation projects. The U.S. Department of Transportation (USDOT) Secretary will award grants on a competitive basis to projects.

The deadline for submitting an application is September 15, 2009. The grants can range from \$20 million up to \$300 million to support high impact transportation projects. The Recovery Act prohibits the award of more than 20 percent of the funds made available under this program to projects in any one State. USDOT stated it will also give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, especially projects that will benefit economically distressed areas.

Funds under this program will be awarded to State and local governments, including U.S. territories, tribal governments, transit agencies, port authorities, other political subdivisions of State or local governments, and multi-State or multi-jurisdictional applicants.

Properties Purchased Voluntarily

Municipality	Block	Lot
BORDENTOWN	129	7.01
CHESTERFIELD	100	4
CHESTERFIELD	101	2
CHESTERFIELD	101	7
CHESTERFIELD	103	1
CHESTERFIELD	102	1
CHESTERFIELD	108	2.02
EAST WINDSOR	17	13
EAST WINDSOR	22	59
EAST WINDSOR	22	60
EAST WINDSOR	22	61
HAMILTON	2725	1
HAMILTON	2725	2
HAMILTON	2725	3
HAMILTON	2725	8
CRANBURY	4	6
MANSFIELD	50.01	3
MANSFIELD	51.01	4.01
EAST WINDSOR	20.01	8
ROBBINSVILLE	30.03	39

Properties Acquired by Condemnation

Municipality	Block	Lot
ROBBINSVILLE	40	1
ROBBINSVILLE	40	6
ROBBINSVILLE	38.01	15
EAST WINDSOR	22	37
ROBBINSVILLE	103	23

Pending Voluntary Purchases

Municipality	Block	Lot
CHESTERFIELD	104	2
CHESTERFIELD	105	2.01
CHESTERFIELD	103	27
EAST WINDSOR	17	12
EAST WINDSOR	25	1
EAST WINDSOR	25	2
EAST WINDSOR	22	9
EAST WINDSOR	22	58.02
EAST WINDSOR	29	4
EAST WINDSOR	29	6
EAST WINDSOR	29	16
EAST WINDSOR	22	34
HAMILTON	2715	11
HAMILTON	2732	1
HAMILTON	2732	3
MONROE	6	6
BORDENTOWN	93	11
BORDENTOWN	92	22.39
Mansfield	48	1&2
Mansfield	56	1
Mansfield	4	5
Robbinsville	38	9
Mansfield	52	3.01
Mansfield	51.01	1
HAMILTON	2724	111
Robbinsville	25	16.16
Robbinsville	25	16.17
HAMILTON	2713	22
Robbinsville	30	9
Cranbury	12	1
EAST WINDSOR	12	1

Active Negotiations

Municipality	Block	Lot
BORDENTOWN	92	20
BORDENTOWN	92.01	1
BORDENTOWN	93	3
BORDENTOWN	93	10
BORDENTOWN	92.01	18
CHESTERFIELD	104	2
CHESTERFIELD	105	2.01
CHESTERFIELD	204	1
MANSFIELD	5	2.01
MANSFIELD	47.01	10.02
MANSFIELD	47.01	11
MANSFIELD	47.01	12
EAST WINDSOR	22	10
EAST WINDSOR	25	4.01
EAST WINDSOR	25	4.02
HAMILTON	2724	58
HAMILTON	2724	112
HAMILTON	2729	10
HAMILTON	2724	
HAMILTON	2732	
HAMILTON	2729	1
ROBBINSVILLE	30.03	13
ROBBINSVILLE	30.03	14
ROBBINSVILLE	38	1
ROBBINSVILLE	40	2.01
CRANBURY	10	19
EAST WINDSOR	22	35
HAMILTON	2713	23.01
HAMILTON	2713	24
ROBBINSVILLE	41	8
CHESTERFIELD	204	1

Municipality	Block	Lot
CRANBERRY	2	5
CHESTERFIELD	103	23
EAST WINDSOR	22	11
EAST WINDSOR	22	13
EAST WINDSOR	22	36
EAST WINDSOR	22	36.01
EAST WINDSOR	29	2
HAMILTON	2725	4
HAMILTON	2725	5
ROBBINSVILLE	30.03	12
ROBBINSVILLE	30.03	49
ROBBINSVILLE	23	4.01
ROBBINSVILLE	23	4.02
ROBBINSVILLE	23	4.03