

SENATE SUBSTITUTE FOR
SENATE, No. 2600

STATE OF NEW JERSEY
219th LEGISLATURE

ADOPTED JUNE 30, 2021

Sponsored by:

Senator LORETTA WEINBERG

District 37 (Bergen)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator THOMAS H. KEAN, JR.

District 21 (Morris, Somerset and Union)

SYNOPSIS

Increases transparency and accountability for NJT and independence of NJT board members; establishes Office of Customer Advocate; requires greater detail for capital program.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate.



(Sponsorship Updated As Of: 12/2/2021)

1 **AN ACT** concerning reforms to the New Jersey Transit Corporation,
 2 amending P.L.1979, c.150, P.L.2018, c.162, and P.L.1984, c.73,
 3 supplementing Title 27 of the Revised Statutes, and repealing
 4 section 16 of P.L.2018, c.162.

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

8
 9 1. Section 4 of P.L.1979, c.150 (C.27:25-4) is amended to read
 10 as follows:

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

24 b. The corporation shall be governed by a board which shall
 25 consist of 13 members.

26 **【11】** Eleven of the members shall be voting members and shall
 27 consist of: the Commissioner of Transportation and the State
 28 Treasurer, who shall be members ex officio, another member of the
 29 Executive Branch to be selected by the Governor who shall also
 30 serve ex officio, and eight public members who shall be appointed
 31 by the Governor as follows:

32 two members, with the advice and consent of the Senate, who
 33 shall each have experience as either a regular corporation motorbus
 34 regular route service rider or regular corporation rail passenger
 35 service or light rail service rider or have a professional background
 36 in passenger rail service, freight rail management, transportation
 37 capital planning, transportation and public transportation capital
 38 construction, federal transportation policy, State transportation
 39 policy, real estate investment or development, human resources
 40 management, or transportation capital finance, one upon the
 41 recommendation of the New Jersey members of the Delaware
 42 Valley Regional Planning Commission and one upon the
 43 recommendation of the North Jersey Transportation Planning
 44 Authority;

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

Matter underlined thus is new matter.

1 two members, with the advice and consent of the Senate, one
2 who shall have experience as a regular corporation motorbus
3 regular route service rider and one who shall have experience as a
4 regular corporation rail passenger service or light rail service rider;
5 and

6 four members, who shall each have a professional background in
7 passenger rail service, freight rail management, transportation
8 capital planning, transportation and public transportation capital
9 construction, federal transportation policy, State transportation
10 policy, real estate investment or development, human resources
11 management, communication, or transportation capital finance, one
12 appointed by the Governor upon the recommendation of the
13 President of the Senate, one appointed by the Governor upon the
14 recommendation of the Speaker of the General Assembly, and two
15 appointed by the Governor, with the advice and consent of the
16 Senate.

17 All public members, except for those appointed upon the
18 recommendation of the President of the Senate and the Speaker of
19 the General Assembly, shall be appointed by the Governor with the
20 advice and consent of the Senate, and all public members shall
21 serve for four year staggered terms and until their successors are
22 appointed and qualified. No more than three of the six public
23 members appointed by the Governor with the advice and consent of
24 the Senate shall be members of the same political party. Each
25 public member may be removed from office by the Governor for
26 cause. A vacancy in the membership of the board occurring other
27 than by expiration of term shall be filled in the same manner as the
28 original appointment, but for the unexpired term only. The board
29 shall annually designate a [vice chairperson and] secretary. The
30 secretary need not be a member.

31 There shall be two non-voting members of the board, who shall
32 not be considered in determining a quorum. The non-voting
33 members shall be appointed as follows: one appointed by the
34 Governor upon the recommendation of the labor organization
35 representing the plurality of the employees of the corporation
36 involved in rail operations and one appointed by the Governor upon
37 the recommendation of the labor organization representing the
38 plurality of the employees of the corporation involved in motorbus
39 operations. Each non-voting member appointed upon
40 recommendation of a labor organization shall be appointed for a
41 term of four years, provided, however, that if at any time during the
42 term of appointment the non-voting member ceases to be affiliated
43 with the labor organization representing the plurality of the relevant
44 segment of employees of the corporation, then such labor
45 organization may, thereupon or at any time thereafter during such
46 term, recommend a new member to the Governor for appointment
47 to serve the remainder of the term. If the local bargaining unit
48 decertifies its existing union affiliation and certifies a new union,

1 the union which represents the plurality of the relevant segment of
2 employees may recommend a new member to the Governor for
3 appointment to serve the remainder of the term. The **【chairman】**
4 chairperson of the board may, at the **【chairman's】** chairperson's
5 discretion, exclude such non-voting member from attending any
6 portion of a board meeting or any other meeting held for the
7 purpose of discussing negotiations with labor organizations,
8 pending litigation involving the labor organization, the
9 investigation, evaluation, or discipline of an employee of the
10 corporation, or matters concerning private entities engaged in the
11 provision of motorbus regular route service, paratransit service, or
12 motorbus charter service that would otherwise not be considered
13 public information. Each non-voting member appointed upon
14 recommendation of a labor organization may be removed by the
15 Governor for cause.

16 For the purposes of this subsection:

17 "experience as a regular corporation motorbus regular route
18 service rider" includes any rider who is a regular corporation
19 motorbus regular route service rider at the time of the member's
20 appointment or reappointment and any rider who has been a regular
21 corporation motorbus regular route service rider in three of the five
22 years preceding the member's appointment or reappointment.

23 "experience as a regular corporation rail passenger service or
24 light rail service rider" includes any rider who is a regular
25 corporation rail passenger service or light rail service rider at the
26 time of the member's appointment or reappointment and any rider
27 who has been a regular corporation rail passenger service or light
28 rail service rider in three of the five years preceding the member's
29 appointment or reappointment.

30 c. Board members other than those serving ex officio shall
31 serve without compensation, but members shall be reimbursed for
32 actual expenses necessarily incurred in the performance of their
33 duties.

34 d. The Commissioner of Transportation shall serve as
35 chairperson of the board **【,】** . The chairperson shall chair board
36 meetings, and shall have responsibility for the scheduling and
37 convening of all meetings of the board. The board shall elect a vice
38 chairperson of the board from among its public members that are
39 authorized to vote. Ex officio members of the board shall not be
40 eligible to serve as the vice chairperson. The vice chairperson shall
41 be elected by the affirmative vote of a majority of the appointed
42 members of the board that are authorized to vote and shall serve for
43 a term of two years. In the absence of the chairperson, the vice
44 chairperson shall chair the board meeting. Each ex officio member
45 of the board may designate two employees of the ex officio
46 member's department or agency, one of whom may represent the ex
47 officio member at meetings of the board, except that any such
48 designee shall not serve as chairperson of the board or otherwise

1 preside over or chair any board meeting. A designee may lawfully
2 vote and otherwise act on behalf of the member for whom the
3 person constitutes the designee. Any such designation shall be in
4 writing delivered to the board and shall continue in effect until
5 revoked or amended by writing delivered to the board.

6 e. The powers of the corporation shall be vested in the voting
7 members of the board thereof and a majority of the appointed
8 members of the board who are authorized to vote shall constitute a
9 quorum at any meeting thereof. Actions may be taken and motions
10 and resolutions adopted by the board at any meeting thereof by the
11 affirmative vote of a majority of the appointed members who are
12 authorized to vote. No vacancy in the membership of the board
13 shall impair the right of a quorum to exercise all the rights and
14 perform all the duties of the board.

15 f. A true copy of the minutes of every meeting of the board
16 shall be delivered forthwith, by and under the certification of the
17 secretary thereof, to the Governor. No action taken at such meeting
18 by the board shall have force or effect until approved by the
19 Governor or until 10 days after such copy of the minutes shall have
20 been delivered. If, in said 10-day period, the Governor returns such
21 copy of the minutes with veto of any action taken by the board or
22 any member thereof at such meeting, such action shall be null and
23 of no effect. The Governor may approve all or part of the action
24 taken at such meeting prior to the expiration of the said 10-day
25 period.

26 g. (1) The board meetings shall be subject to the provisions of
27 the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975,
28 c.231 (C.10:4-6 et seq.), except that any agenda related to a meeting
29 of the corporation's board of directors shall be provided to the
30 public at least **【five】** seven calendar days prior to the meeting and
31 except that one-half of the total number of meetings of the board
32 shall be held in the evening after 6:00 p.m. Agendas may be
33 revised up to 48 hours prior to the meeting in the case of
34 emergencies requiring immediate action. Each notice of a board
35 meeting and each agenda for a board meeting shall be published on
36 the corporation's website. Board meetings shall be viewable on the
37 corporation's website in real time and shall be archived and made
38 available to the public for subsequent viewing on the corporation's
39 website. Meeting minutes shall be archived and published on the
40 corporation's website.

41 (2) The board shall hold a minimum of 10 public board
42 meetings per year provided that the board shall not allow more than
43 60 calendar days to elapse without holding a public board meeting.
44 Public hearings held pursuant to subsection d. of section 8 of
45 P.L.1979, c.150 (C.27:25-8) shall not be considered public board
46 meetings for the purposes of this subsection.

1 (3) A board member may request, through the Office of the
2 Chairperson, that a topic or item be included for discussion or board
3 action at a future board meeting.

4 (cf: P.L.2018, c.162, s.1)

6 2. Section 2 of P.L.2018, c.162 (C.27:25-4.1) is amended to
7 read as follows:

8 2. a. The board of directors of the corporation shall:

9 (1) Execute oversight of the corporation's executive director and
10 other management in the effective and ethical management of the
11 corporation, including but not limited to review and approval of any
12 fare changes and the elimination or substantial curtailment of
13 paratransit service, motorbus regular route service, rail passenger
14 service, or light rail service;

15 (2) Understand, review, and monitor the implementation of
16 fundamental financial and management controls and operational
17 decisions of the corporation, including but not limited to review and
18 approval of any fare changes **[and]** , the elimination or substantial
19 curtailment of paratransit service, motorbus regular route service,
20 rail passenger service, or light rail service, and any major planning
21 document, including but not limited to any strategic plan, capital
22 plan, unconstrained capital plan, or any other planning document
23 that purports to portray the corporation's vision for the future;

24 (3) Establish policies regarding the payment of salary,
25 compensation, and reimbursements to, and establish rules for the
26 time and attendance of, the executive director and management,
27 including the formal direct hiring of the Executive Director,
28 Director of the Office of Customer Advocate, and Auditor General
29 and the formal approval of hiring by the Executive Director for any
30 candidate to be hired to serve in a Senior Vice President or Chief
31 role including but not limited to the following corporate roles or
32 highest level management positions for the following subject
33 matters: Surface Transit and General Manager of Bus Operations;
34 Chief Financial Officer and Treasurer; Chief of Police and Office of
35 Emergency Management; General Manager of Rail Operations;
36 Capital Programs; Communications and Customer Experience;
37 Chief Administrative Officer; Regulatory and Government Affairs;
38 Chief of Staff; and Chief Safety Officer, provided that nothing in
39 P.L.2018, c.162 (C.27:25-4.1 et al.) shall be construed to apply civil
40 service rules and regulations to the corporation;

41 (4) Adopt a code of ethics, in consultation with the chief ethics
42 officer, applicable to each board member, officer, and employee
43 that, at a minimum, includes the applicable standards established by
44 State law;

45 (5) Require that the corporation establish written policies and
46 procedures on personnel including policies protecting employees
47 from retaliation for disclosing information concerning acts of

1 wrongdoing, misconduct, malfeasance, or other inappropriate
2 behavior by an employee of the corporation;

3 (6) Adopt a policy that provides guidelines for when it is
4 appropriate for the chief ethics officer to forward the results and
5 findings of a preliminary investigation conducted by the chief ethics
6 officer to the State Ethics Commission, Office of the Attorney
7 General, county prosecutor's office, or any other appropriate agency
8 for further investigation or action;

9 (7) Adopt a defense and indemnification policy and disclose
10 such policy to any and all prospective board members; and

11 (8) **【Adopt】** Develop and adopt corporate bylaws, which shall
12 be reviewed and updated within 180 days of the effective date of
13 P.L. , c. (C.) (pending before the Legislature as this bill) to
14 ensure consistency with P.L.1979, c.150 (C.27:25-1 et al.),
15 P.L.2018, c.162 (C.27:25-4.1 et al.), and P.L. , c. (C.)
16 (pending before the Legislature as this bill) and at least once every
17 five years thereafter. The board shall ensure that the bylaws are
18 made available to the public upon request and are published on the
19 corporation's website.

20 b. (1) The members of the board shall perform each of their
21 duties as board members, including but not limited to those imposed
22 by this section, in good faith and with that degree of diligence, care,
23 and skill which an ordinarily prudent person in like position would
24 use under similar circumstances, and may take into consideration
25 the views and policies of any elected official or body, or other
26 person and ultimately apply independent judgment in the best
27 interest of the corporation, its mission, and the public.

28 (2) At the time that a board member takes and subscribes the
29 board member's oath of office, or within 60 days after the effective
30 date of P.L.2018, c.162 (C.27:25-4.1 et al.) if the board member has
31 already taken and subscribed the board member's oath of office, the
32 board member shall execute an acknowledgement, in a form
33 developed by the corporation, in which the board member shall, at a
34 minimum:

35 (a) acknowledge that the board member understands that a
36 board member has an obligation to perform duties and
37 responsibilities to the best of the board member's abilities, in good
38 faith and with proper diligence and care, consistent with the
39 enabling compact, mission, and by-laws of the corporation and the
40 applicable laws of this State; and that the duty to the corporation is
41 derived from and governed by its mission;

42 (b) acknowledge that the board member understands the board
43 member's duty of loyalty and care to the corporation and
44 commitment to the corporation's mission and the public interest;
45 and the board member's obligation to act in the best interests of the
46 corporation and the people whom the corporation serves;

47 (c) agree that a board member has an obligation to become
48 knowledgeable about the mission, purpose, functions,

1 responsibilities, and statutory duties of the corporation and, when
2 necessary, to make reasonable inquiry of management and others
3 with knowledge and expertise so as to inform the board member's
4 decisions;

5 (d) agree to exercise independent judgment on all matters before
6 the board;

7 (e) agree not to divulge confidential discussions and
8 confidential matters that come before the board for consideration or
9 action;

10 (f) agree to disclose to the board and the chief ethics officer any
11 conflicts, or the appearance of a conflict, of a personal, financial,
12 ethical, or professional nature that could inhibit the board member
13 from performing the board member's duties in good faith and with
14 due diligence and care; and

15 (g) certify that the board member does not have any interest in,
16 financial or otherwise, direct or indirect, or engage in any business
17 or transaction or professional activity or incur any obligation of any
18 nature, which is in substantial conflict with the proper discharge of
19 the board member's duties in the public interest.

20 c. Individuals appointed to the board of directors shall
21 participate in training regarding their legal, financial, and ethical
22 responsibilities as directors of the corporation within six months of
23 appointment to the board. Board members shall participate in
24 continuing training as may be required to remain informed of best
25 practices and regulatory, legal, financial, and ethical responsibilities
26 and standards.

27 d. No board member, including the chairperson, shall serve as
28 the corporation's executive director, chief financial officer, or hold
29 any senior management position while serving as a member of the
30 board.

31 e. (1) The board of directors shall establish an audit
32 committee, to be comprised of not less than three members, who
33 shall possess the necessary skills to understand the duties and
34 functions of the committee, including having sufficient knowledge
35 in the areas of finance and accounting. The audit committee shall
36 meet on at least a quarterly basis.

37 (2) The audit committee shall review and monitor: the reliability
38 of financial statements and the adequacy of financial controls; the
39 results of any audit; and compliance with legal, regulatory, and
40 ethical requirements. The audit committee shall have responsibility
41 for supervising and reviewing the work of the internal audit
42 department, which has responsibility for investigating fraud, waste
43 and abuse within and affecting the agency. The Auditor General
44 and internal audit department shall report directly to the audit
45 committee and the board of directors and shall be independent of
46 any supervision of the executive director, unless the board and audit
47 committee authorize or require such supervision. In furtherance of
48 this purpose, the corporation shall make available to the board, in a

1 centralized database that is easily accessible to all board members,
2 any documents in final form regarding an audit. In the absence of
3 such a centralized database, the corporation shall make any such
4 document available to a board member upon request of the board
5 member.

6 f. (1) The board of directors shall establish an administration
7 committee to be comprised of not less than three independent
8 members, who shall possess the necessary skills to understand the
9 duties and functions of the committee; provided, however, that in
10 the event that a board has less than three independent members, the
11 board may appoint non-independent members to the committee,
12 provided that the independent members shall constitute a majority
13 of the members of the committee. The administration committee
14 shall meet on at least a quarterly basis.

15 (2) The administration committee shall: advise the board of
16 directors on financial matters, including, but not limited to,
17 proposed budgets including the capital program, major expenditures
18 of the corporation, and all financial policies; receive a bi-monthly
19 report from the head of the Office of Equal Opportunity and
20 Affirmative Action, or any successor office, which shall also be
21 provided to the executive director, regarding the activities of that
22 office, including a summary of the nature and number of the
23 complaints involving discrimination or harassment received by that
24 office and any actions taken by that office in response to those
25 complaints; receive a bi-monthly report from the director of the
26 Human Resources Office, or any successor office, which shall also
27 be provided to the executive director, regarding the activities of that
28 office, including a summary of job vacancies, job postings, new
29 employees, reclassification of job titles, retirements, terminations,
30 disciplinary actions, and any other personnel decisions; and meet at
31 least annually with representatives of the labor organizations
32 representing employees of the corporation. Reports shall not
33 include any personally identifiable information or personnel
34 information protected under state or federal law.

35 (3) Senior management of the corporation shall collaborate with
36 the administration committee on the development of any major
37 fiscal item, including but not limited to proposed budgets including
38 the capital program, major expenditures of the corporation, and all
39 financial policies. Until a major fiscal item has been presented to
40 the administration committee, the corporation shall not submit the
41 fiscal item to any other department of State government or a
42 metropolitan planning organization as part of the budget process,
43 shall not take any internal action to officially adopt the item such as
44 the enactment of an agency wide or departmental policy or
45 procedure, and shall not provide any public statements or press
46 releases treating the fiscal item as though it has been enacted or
47 adopted. Once a major fiscal item has been presented before the
48 administration committee, if the members of the committee find that

1 the fiscal item should not advance or needs to be modified, the
 2 board may vote, at a subsequent board meeting, to require the
 3 corporation to take such action as recommended by the
 4 administration committee.

5 g. (1) The board of directors shall establish an operations and
 6 customer service committee, to be comprised of not less than three
 7 independent members, who shall possess the necessary skills to
 8 understand the duties and functions of the committee. The
 9 operations and customer service committee shall meet at least on a
 10 quarterly basis.

11 (2) The operations and customer service committee shall: advise
 12 the board of directors on day to day operations and maintenance;
 13 review vital statistics including on time performance, cost of
 14 service, and service rationalization; review the corporation's service
 15 plan and service standards; oversee fleet management plans,
 16 strategic planning, and the corporation's business plan; and oversee
 17 the corporation's customer service plan and statistics.

18 h. (1) The board of directors shall establish a capital planning
 19 and privatization committee, to be comprised of not less than three
 20 independent members, who shall possess the necessary skills to
 21 understand the duties and functions of the committee. The capital
 22 planning and privatization committee shall meet on at least a
 23 quarterly basis.

24 (2) The capital planning and privatization committee shall:
 25 review and monitor the status of capital projects including the
 26 annual element of the corporation's five year capital program;
 27 review the rationale for the capital program, its budgets and
 28 schedule, and address fast tracking key projects; oversee the
 29 development of fare policy and technology; and review real estate
 30 transactions and route and service issues that affect private carriers
 31 or other properties with which the corporation does business.

32 i. For the purposes of this section, an "independent member" is
 33 one who:

34 (1) is not, and in the past two years has not been, employed by
 35 the corporation or an affiliate in an executive capacity;

36 (2) is not, and in the past two years has not been, employed by
 37 an entity that received remuneration valued at more than \$15,000
 38 for goods and services provided to the corporation or received any
 39 other form of financial assistance valued at more than \$15,000 from
 40 the corporation;

41 (3) is not a relative of an executive officer or employee in an
 42 executive position of the corporation or an affiliate; and

43 (4) is not, and in the past two years has not been, a lobbyist
 44 registered under a state or local law and paid by a client to influence
 45 the management decisions, contract awards, rate determinations, or
 46 any other similar actions of the corporation or an affiliate.

47 j. Notwithstanding the provisions of any other law to the
 48 contrary, the board shall not directly or indirectly, including

1 through any subsidiary, extend or maintain credit, arrange for the
2 extension of credit, or renew an extension of credit, in the form of a
3 personal loan to or for any officer, board member, or employee, or
4 equivalent thereof, of the corporation.

5 k. In addition to any functions and responsibilities delegated
6 thereto, each committee of the board shall serve as an apparatus for
7 members of the committee to obtain information and to engage in
8 policy discussions within the purview of the committee. Upon the
9 request of a committee member, any officer or employee of the
10 corporation shall provide information or documents to the
11 committee at a time and in a form and manner determined by the
12 committee. The Director of the Office of Customer Advocate or a
13 designee may attend any committee meeting for the purpose of
14 providing pertinent information or commentary to the members of
15 the committee. The chairperson of the North Jersey Passenger
16 Advisory Committee or a designee and the chairperson of the South
17 Jersey Passenger Advisory Committee or a designee may provide
18 any committee pertinent information or commentary to the
19 members of the committee but shall not be privileged to committee
20 discussion.

21 l. Notwithstanding the allocation of individual board members
22 to the committees established by the board of directors and the
23 delegation of functions and responsibilities to those committees, the
24 function and responsibility of each committee shall remain a
25 function and responsibility of the board of directors and each
26 member thereof. The board of directors, and each member thereof,
27 shall remain authorized and obligated to exercise the functions and
28 fulfill the responsibilities of each committee. Each board member
29 in fulfilling these responsibilities shall apply independent judgment
30 in the best interest of the corporation, its mission, and the public.

31 m. Notwithstanding the establishment of committees pursuant to
32 this section, the board may establish any ad hoc or temporary
33 committee to address a specific issue that is of interest to the board
34 or the public.

35 n. Each committee established pursuant to this section shall
36 submit a committee report to the board for each committee meeting.
37 The report shall include a written summary of the substance of any
38 discussions and any action taken at the committee meeting.

39 (cf: P.L.2018, c.162, s.2)

40
41 3. Section 3 of P.L.2018, c.162 (C.27:25-4.2) is amended to
42 read as follows:

43 3. a. (1) There is hereby established the North Jersey
44 Passenger Advisory Committee within the New Jersey Transit
45 Corporation for the purpose of providing advice, input, and
46 guidance to the corporation and the corporation's board of directors
47 from customers of the corporation who reside in North Jersey. The
48 committee shall: provide advice, input, and guidance to the New

1 Jersey Transit Corporation **【and】** , its board of directors and
2 committees thereof, and the Office of Customer Advocate on issues
3 affecting the corporation and customers of the corporation,
4 particularly those issues that affect services provided in the northern
5 part of the State; review proposals to be considered before the
6 corporation's board of directors concerning fare increases,
7 curtailment of services, and expansion of services; and review items
8 listed on the agenda for meetings of the corporation's board of
9 directors that would increase fares, curtail services, or expand
10 services and provide written feedback to the board and the Office of
11 Customer Advocate prior to the board meeting concerning those
12 agenda items.

13 (2) A member of the committee shall be required to: reside in
14 one of the following counties: Bergen, Essex, Hudson, Hunterdon,
15 Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset,
16 Sussex, Union, or Warren; and either be a regular corporation
17 motorbus regular route service rider or a regular corporation rail
18 passenger service or light rail service rider; and primarily use
19 corporation motorbus regular route service, rail passenger service,
20 or light rail service in the northern part of the State, or have
21 substantial public transportation experience.

22 (3) The committee shall consist of 15 voting members, who
23 shall serve a term of four years and without compensation, to be
24 appointed as follows:

25 three members to be appointed by the board of the North Jersey
26 Transportation Planning Authority;

27 **【six】** five members to be appointed by the Governor;

28 one member to be appointed by the Director of the Office of
29 Customer Advocate;

30 one member to be appointed by the Speaker of the General
31 Assembly;

32 one member to be appointed by the President of the Senate;

33 one member to be appointed by the Minority Leader of the
34 General Assembly;

35 one member to be appointed by the Minority Leader of the
36 Senate;

37 one member to be appointed by a nonprofit entity, which shall be
38 selected jointly by the Speaker of the General Assembly and the
39 President of the Senate, with a history of rider advocacy,
40 encouraging smart growth, and advocating for investment in public
41 transportation and transit-oriented development initiatives; and

42 one member to be appointed by a nonprofit entity, which shall be
43 selected jointly by the Speaker of the General Assembly and the
44 President of the Senate, that serves as a consumer rail passenger
45 organization in the State.

46 (4) The powers of the committee shall be vested in the members
47 of the committee and a majority of the appointed members shall
48 constitute a quorum at any meeting thereof. Actions may be taken

1 and motions and resolutions adopted by the committee at any
2 meeting thereof by the affirmative vote of a majority of the
3 appointed members. The seat of any member who fails to maintain
4 the requirements established in paragraph (2) of this subsection
5 shall be deemed vacant. A vacancy in the membership of the
6 committee shall not impair the right of a quorum to exercise all
7 rights and perform all duties of the committee. Any vacancy in the
8 membership of the committee shall be filled in the same manner as
9 the original appointment and for the remainder of the unexpired
10 term.

11 (5) The committee shall elect from among its members a
12 chairperson and vice chairperson. The chairperson shall preside
13 over meetings of the committee. In the absence of the chairperson,
14 the vice chairperson shall preside over meetings of the committee.
15 The chairperson shall have the responsibility of scheduling and
16 convening all meetings of the committee. The committee shall
17 designate an individual to serve as secretary to the committee who
18 need not be a member of the committee.

19 b. (1) There is hereby established the South Jersey Passenger
20 Advisory Committee within the New Jersey Transit Corporation for
21 the purpose of providing advice, input, and guidance to the
22 corporation and the corporation's board of directors from customers
23 of the corporation who reside in South Jersey. The committee shall:
24 provide advice, input, and guidance to the New Jersey Transit
25 Corporation **[and]** , its board of directors and committees thereof,
26 and the Office of Customer Advocate on issues affecting the
27 corporation and customers of the corporation, particularly those
28 issues that affect services provided in the southern part of the State;
29 review proposals to be considered before the corporation's board of
30 directors concerning fare increases, curtailment of services, and
31 expansion of services; and review items listed on the agenda for
32 meetings of the corporation's board of directors that would increase
33 fares, curtail services, or expand services and provide written
34 feedback to the board and the Office of Customer Advocate prior to
35 the board meeting concerning those agenda items.

36 (2) A member of the committee shall be required to: reside in
37 one of the following counties: Atlantic, Burlington, Camden, Cape
38 May, Cumberland, Gloucester, Mercer, Ocean, or Salem; and either
39 be a regular corporation motorbus regular route service rider or a
40 regular corporation rail passenger service or light rail service rider;
41 and primarily use corporation motorbus regular route service, rail
42 passenger service, or light rail service in the southern part of the
43 State, or have substantial public transportation experience.

44 (3) The committee shall consist of 15 voting members, who
45 shall serve a term of four years and without compensation, to be
46 appointed as follows:

47 two members to be appointed by the board members of the
48 Delaware Valley Regional Planning Commission from New Jersey;

1 **【six】** five members to be appointed by the Governor;
2 one member to be appointed by the Director of the Office of
3 Customer Advocate;
4 one member to be appointed by the Speaker of the General
5 Assembly;
6 one member to be appointed by the President of the Senate;
7 one member to be appointed by the Minority Leader of the
8 General Assembly;
9 one member to be appointed by the Minority Leader of the
10 Senate;
11 one member to be appointed by the board of the South Jersey
12 Transportation Planning Organization;
13 one member to be appointed by a nonprofit transportation
14 management association, which shall be selected jointly by the
15 Speaker of the General Assembly and the President of the Senate,
16 that provides transportation-related services in the southern portion
17 of the State; and
18 one member to be appointed by a nonprofit entity, which shall be
19 selected jointly by the Speaker of the General Assembly and the
20 President of the Senate, that serves as a consumer rail passenger
21 organization in the State.

22 (4) The powers of the committee shall be vested in the members
23 of the committee and a majority of the appointed members shall
24 constitute a quorum at any meeting thereof. Actions may be taken
25 and motions and resolutions adopted by the committee at any
26 meeting thereof by the affirmative vote of a majority of the
27 appointed members. The seat of any member who fails to maintain
28 the requirements established in paragraph (2) of this subsection
29 shall be deemed vacant. A vacancy in the membership of the
30 committee shall not impair the right of a quorum to exercise all
31 rights and perform all duties of the committee. Any vacancy in the
32 membership of the committee shall be filled in the same manner as
33 the original appointment and for the remainder of the unexpired
34 term.

35 (5) The committee shall elect from among its members a
36 chairperson and vice chairperson. The chairperson shall preside
37 over meetings of the committee. In the absence of the chairperson,
38 the vice chairperson shall preside over meetings of the committee.
39 The chairperson shall have the responsibility of scheduling and
40 convening all meetings of the committee. The committee shall
41 designate an individual to serve as secretary to the committee who
42 need not be a member of the committee.

43 c. A person serving as a member of the South Jersey Passenger
44 Advisory Committee shall not be eligible to simultaneously serve as
45 a member of the North Jersey Passenger Advisory Committee. A
46 person serving as a member of the North Jersey Passenger Advisory
47 Committee shall not be eligible to simultaneously serve as a
48 member of the South Jersey Passenger Advisory Committee.

1 d. One public member from the corporation's board of directors
2 shall serve as a liaison to each advisory committee.
3 (cf: P.L.2018, c.162, s.3)
4

5 4. (New section) a. Before adopting and implementing its
6 annual capital program, the corporation shall hold at least two
7 public hearings on the contents of the capital program. At least one
8 of the two hearings shall take place on a State working day. One
9 hearing shall take place for at least two hours between the hours of
10 9:00 a.m. and 5:00 p.m., and the other hearing shall take place for at
11 least two hours between the hours of 6:00 p.m. and 10:00 p.m.
12 Each public hearing required pursuant to this subsection shall be
13 attended by at least two members of the corporation's board of
14 directors. Proper notice of the hearing shall be given by the
15 corporation at least 15 days prior to the hearing. In addition to the
16 public hearing, the corporation shall post, in prominent places on
17 the corporation's website and railroad cars and buses, a postal
18 mailing address and electronic mailing address where members of
19 the public may provide written comments to the corporation
20 regarding the capital program. The corporation shall prepare and
21 publish a written response concerning any issue or concern raised
22 by a member of the public at any public hearing or in any written
23 comment provided pursuant to this subsection.

24 b. The corporation shall hold at least two public hearings per
25 year on the corporation's strategic plan, capital program priorities,
26 and vision for the future of the corporation. At least one of the two
27 hearings shall take place on a State working day. One hearing shall
28 take place for at least two hours between the hours of 9:00 a.m. and
29 5:00 p.m., and the other hearing shall take place for at least two
30 hours between the hours of 6:00 p.m. and 10:00 p.m. The second
31 hearing shall not be held within 30 days of the first meeting. Each
32 public hearing required pursuant to this subsection shall be attended
33 by at least two members of the corporation's board of directors.
34 Proper notice of the hearing shall be given by the corporation at
35 least 15 days prior to the hearing. In addition to the public hearing,
36 the corporation shall post, in prominent places on the corporation's
37 website and railroad cars and buses, a postal mailing address and
38 electronic mailing address where members of the public may
39 provide written comments to the corporation regarding the
40 corporation's strategic plan, capital program priorities, and vision
41 for the future of the corporation. The corporation shall prepare and
42 publish a written response concerning any issue or concern raised
43 by a member of the public at any public hearing or in any written
44 comment provided pursuant to this subsection.

45 c. In any circumstance where board action is required
46 concerning the subject matter of a public hearing, the board shall
47 not take final action concerning the subject matter until at least
48 seven days following the conclusion of the last public hearing.

1 d. The corporation may hold a public hearing that
2 simultaneously satisfies the requirements of one of the public
3 hearings required pursuant to subsection a. of this section,
4 subsection b. of this section, paragraph (1) of subsection d. of
5 section 8 of P.L.1979, c.150, (C.27:25-8); and paragraph (2) of
6 subsection d. of section 8 of P.L.1979, c.150 (C.27:25-8), or a
7 combination thereof, provided that the hearing meets all of the
8 statutory requirements for the respective hearing if held on its own
9 and that members of the public are afforded at least three minutes to
10 speak for each public hearing requirement being satisfied.

11

12 5. (New section) a. There is hereby established in the
13 Department of Transportation the Office of Customer Advocate to
14 be under the supervision of the Director of the Office of Customer
15 Advocate. For the purposes of complying with the provisions of
16 Article V, Section IV, paragraph 1 of the New Jersey Constitution,
17 the Office of Customer Advocate is hereby allocated to the
18 Department of Transportation but, notwithstanding this allocation,
19 the office shall be independent of any supervision or control by the
20 department, provided, however, that the director of the office shall
21 be supervised by the New Jersey Transit Corporation board of
22 directors.

23 b. The Director of the Office of Customer Advocate shall be
24 appointed by the New Jersey Transit Corporation board of directors
25 and shall report directly to the board. Except for supervision by the
26 board of directors, the director of the office shall not be subject to
27 any supervision or control by the executive director of the
28 corporation or any other staff of the corporation. For purposes of
29 office work space, the director of the office and any subordinate
30 staff shall be housed with the corporation's Auditor General and
31 any other internal audit staff.

32 c. When exceptional circumstances arise, the Director of the
33 Office of Customer Advocate, with the approval of the State
34 Treasurer, may on a temporary basis retain such expert assistants as
35 are necessary to protect the public interest, pursuant to a reasonable
36 fee schedule established in advance by the State Treasurer. For the
37 purposes of this subsection, "exceptional circumstances" includes
38 but is not limited to fare increases, substantial curtailments of
39 service, significant expansions of service, and major operating or
40 capital expenditures.

41 d. The purposes of the Office of Customer Advocate shall be
42 to:

43 (1) provide information and independent analysis to the board of
44 directors on the impact that board and corporation actions are
45 having, or are expected to have, on the corporation's customers;

46 (2) provide genuine customer input and feedback to the board of
47 directors, including relaying the needs and concerns of customers to
48 the board of directors; and

1 (3) represent the best interest of the corporation's customers as
2 determined by the Director of the Office of Customer Advocate.

3 e. The Office of Customer Advocate shall have the authority to
4 conduct investigations, initiate studies, conduct research, present
5 comments and testimony before the board of directors, legislative
6 committees, and other governmental bodies, and prepare and issue
7 reports. The Office of Customer Advocate shall arrange for
8 meetings with New Jersey Transit Corporation passengers, which
9 shall occur at least on a monthly basis, for the purpose of: relaying
10 the concerns and needs of passengers to the board of directors and,
11 when the director of the office deems it appropriate, to the
12 executive management team of the corporation; and providing
13 information to passengers on major board or corporation actions of
14 which the director has knowledge. In addition to monthly meetings,
15 the director of the office may undertake any other action that the
16 director deems to be in furtherance of the purposes of the Office of
17 Customer Advocate. The Office of Customer Advocate shall also
18 have the authority to represent the public interest as follows:

19 (1) for any proposed fare increase, the corporation, upon
20 publication of a proposal to increase fares, shall make available
21 immediately to the Office of Customer Advocate all information
22 and documents concerning the proposal so that the office may
23 review those documents and prepare an analysis of the proposed
24 fare increase, to be reported to the board of directors, including an
25 independent determination of the need for such an increase and the
26 anticipated impact of the increase on customers;

27 (2) for any proposed substantial curtailment of service, the
28 corporation, upon publication of a proposal to substantially curtail
29 service, shall make available immediately to the Office of Customer
30 Advocate all information and documents concerning the proposal so
31 that the office may review those documents and prepare an analysis
32 of the proposed substantial curtailment of service, to be reported to
33 the board of directors, including an independent determination of
34 the need for such a curtailment and the anticipated impact of the
35 curtailment on customers;

36 (3) for any proposed expansion of service, whether operational
37 or capital in nature, the corporation, upon inclusion of a capital
38 program item to expand service or the publication of a time table or
39 schedule that includes newly added service, shall make available
40 immediately to the Office of Customer Advocate all information
41 and documents concerning the proposal so that the office may
42 review those documents and prepare an analysis of the proposed
43 expansion of service, to be reported to the board of directors; and

44 (4) for any other action or omission of the corporation that the
45 Office of Customer Advocate determines has a significant impact
46 on the corporation's customers, the corporation shall make available
47 to the Office of Customer Advocate, immediately upon request, all
48 information and documents concerning the action or omission so

1 that the office may review those documents and prepare an analysis
2 to be reported to the board of directors.

3 f. Funds for the expenses of the Office of Customer Advocate,
4 and for the office's budget, shall be provided by the State Treasurer,
5 as appropriated by the Legislature, and shall be independent of
6 funds for the New Jersey Transit Corporation.

7 g. On or before March 31 of each year, the Director of the
8 Office of Customer Advocate shall prepare a report on the activities
9 of the office for the previous calendar year, including any reports
10 provided to the corporation's board of directors. The report may
11 include any additional information that the Director of the Office of
12 Customer Advocate determines to be appropriate. The director
13 shall submit the report to the Governor and, pursuant to section 2 of
14 P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

15
16 6. Section 22 of P.L.1984, c.73 (C.27:1B-22) is amended to
17 read as follows:

18 22. The commissioner shall prepare and submit the following
19 reports to the Governor, the Legislature, and the Transportation
20 Policy Review Board, established pursuant to section 6 of P.L.2006,
21 c.3 (C.27:1B-22.2) under the terms set forth below: a
22 Transportation Master Plan, a Statewide Capital Investment
23 Strategy, an Annual Transportation Capital Program, a
24 Transportation Trust Fund Authority Financial Plan, and a Five-
25 Year Capital Plan.

26 a. To the end that the transportation system of the State shall
27 be planned in an orderly and efficient manner and that the
28 Legislature shall be advised of the nature and extent of public
29 highways, public transportation projects and other transportation
30 projects contemplated to be financed under this act, the department
31 shall submit a master plan, as provided in subsection (a) of section
32 5 of P.L.1966, c.301 (C.27:1A-5). Notwithstanding the provisions
33 of that act, the plan shall be for a period of five years and shall be
34 submitted to the Commission on Capital Budgeting and Planning,
35 the Chairman of the Senate Transportation Committee and the
36 Chairman of the Assembly Transportation and Independent
37 Authorities Committee, or their successors, and the Legislative
38 Budget and Finance Officer, and the metropolitan planning
39 organizations, on or before March 1, 2001, and at five-year
40 intervals thereafter. The master plan shall set the direction for the
41 department's overall Capital Investment Strategy and subsequent
42 annual Transportation Capital Programs submitted to the
43 Legislature for approval pursuant to this section. This master plan
44 shall, to the extent practicable, conform to all federal requirements
45 for Statewide transportation planning.

46 b. The Department of Transportation, in conjunction with the
47 New Jersey Transit Corporation, the New Jersey Turnpike
48 Authority, and the South Jersey Transportation Authority, shall

1 prepare a "Statewide Capital Investment Strategy" for at least a
2 five-year period which shall contain, at a minimum, a statement of
3 the goals of the department, the corporation, and the toll road
4 authorities in major selected policy areas and the means by which
5 the goals are to be attained during that period, using quantitative
6 measures where appropriate. The Statewide Capital Investment
7 Strategy may be updated and submitted no later than March 1 of
8 each year. The Statewide Capital Investment Strategy shall provide
9 for a multi-modal, intermodal, seamless, technologically advanced,
10 and secure transportation system. It shall recommend investment
11 for major program categories, set overall goals for investment in the
12 State's infrastructure, and develop program targets and performance
13 measures. It may rely on infrastructure management systems as
14 developed by the department to assess bridge conditions, pavement
15 conditions, bridge, traffic and pedestrian safety, traffic congestion
16 and public transit facilities. With respect to pavement conditions,
17 the department shall set as a priority the utilization of efficient cost-
18 effective materials and treatments as stated in section 9 of P.L.2000,
19 c.73 (C.27:1B-21.22). In the event that there exist appropriate
20 circumstances for the use of micro-surfacing and cold-in-place
21 recycling, the department shall establish as a special priority the use
22 of these materials and surface treatments. The goals of the Capital
23 Investment Strategy shall include, but not be limited to, reduction of
24 vehicular and pedestrian accidents, reduction in the backlog of
25 projects, including one-half of the structurally deficient bridge
26 repair projects and pavement deficiencies, and an increase in lane
27 miles of bicycle paths, with a goal of constructing an additional
28 1,000 lane miles of bicycle paths in five years to reduce traffic
29 congestion and for recreational uses. The construction of bicycle
30 and pedestrian lanes, paths and facilities shall be subject to no
31 stricter environmental requirements than are provided pursuant to
32 federal law and regulations for such lanes, paths and facilities,
33 notwithstanding the provisions to the contrary of State law and
34 regulations, including State Executive Order No. 215 of 1989. With
35 respect to the New Jersey Transit Corporation, the Statewide
36 Capital Investment Strategy shall deal with the corporation's overall
37 goal to keep the public transportation system in a state of good
38 repair and, more specifically, in the area of bus transportation,
39 present a strategy and a preliminary timetable for the replacement
40 of the current diesel bus fleet with a fleet of buses which have
41 reduced emission of air pollutants. The corporation shall consider
42 the feasibility of buses with improved pollution controls and that
43 reduce particulate emissions and buses powered by fuel other than
44 conventional diesel fuel, such as compressed natural gas vehicles,
45 hybrid vehicles, fuel cell vehicles, biodiesel vehicles, vehicles
46 operated on ultra low sulfur fuel, and vehicles operated on any other
47 bus fuel approved by the United States Environmental Protection
48 Agency. The corporation may consider as part of its strategy,

1 cooperative efforts with bus manufacturers, and the solicitation of
2 federal support, in developing a "clean bus" with air pollution
3 controls superior to currently available technology. For the fiscal
4 year beginning July 1, 2007 and each fiscal year thereafter, all
5 buses purchased by the New Jersey Transit Corporation shall be
6 buses with improved pollution controls and that reduce particulate
7 emissions, or buses powered by fuel other than conventional diesel
8 fuel, such as compressed natural gas vehicles, hybrid vehicles, fuel
9 cell vehicles, biodiesel vehicles, vehicles operated on ultra low
10 sulfur fuel, or vehicles operated on any other bus fuel approved by
11 the United States Environmental Protection Agency. In the event
12 that the corporation is not able to meet the bus purchase
13 requirements set forth in this section with respect to any fiscal year,
14 prior to the commencement of the fiscal year, the board of the
15 corporation shall, by resolution, submit a report to the Legislature
16 detailing its inability to meet the requirements and the reasons
17 therefor and shall submit the report to the Senate and General
18 Assembly when both houses are in session, including therein a
19 request to be exempted from the bus purchase requirements of this
20 section with regard to the fiscal year in question. The President of
21 the Senate and the Speaker of the General Assembly shall cause the
22 date of submission to be entered upon the Senate Journal and the
23 Minutes of the General Assembly. If a joint resolution approving
24 the exemption is passed by the Legislature and signed by the
25 Governor prior to the commencement of the fiscal year in question,
26 the corporation shall be exempt from the requirements for that fiscal
27 year.

28 In the fiscal year beginning on July 1, 2007 and in each fiscal
29 year thereafter, in the year prior to the year in which final
30 engineering is anticipated to start on any project which extends the
31 reach of the New Jersey Transit rail or light rail system, the New
32 Jersey Transit Corporation shall be required to identify and include
33 in the annual Statewide Capital Investment Strategy the required
34 State financial assistance to support operation of the incremental
35 service for the first three years and the projected fare box recovery
36 ratio at the commencement of the fourth year of operation of each
37 project.

38 The Statewide Capital Investment Strategy shall also detail the
39 planned investment of capital funds for public transportation
40 projects of companies other than the New Jersey Transit
41 Corporation engaged in the business of providing motor bus
42 transportation. The Statewide Capital Investment Strategy shall
43 demonstrate that such investment adequately addresses the finding
44 in section 2 of P.L.1979, c.150 (C.27:25-2) that in the provision of
45 public transportation services it is desirable to encourage to the
46 maximum extent feasible the participation of private enterprise.

47 c. On or before March 1 of each year, the commissioner shall
48 submit a report of **general project categories and** proposed capital

1 projects **【thereunder】** to be financed in the ensuing fiscal year,
2 including therewith a description of the projects, the county or
3 counties and municipality or municipalities within which they are to
4 be located, a distinction between State and local projects, an
5 identification number for each project that can be used to cross
6 reference any project in the State's federal Statewide Transportation
7 Improvement Program, the project phase of work, investment
8 category, project sponsor, governmental entity with jurisdiction
9 over the project and associated infrastructure, the amount estimated
10 to be expended on each project in the year of appropriation, and an
11 estimate of the total project cost. Proposed appropriations shall be
12 included in the report as a unique project if the spending includes
13 one or more contracts for related work of more than \$100,000 at a
14 single site, or for a single contract of at least \$100,000 which
15 includes one type of work at multiple locations that is not related to
16 any other capital work required at those locations. The report shall
17 not group or bundle projects unless the act of grouping or bundling
18 complies with the single site requirement or single contract
19 requirement of this section. Any group or bundle of projects that is
20 included in the report shall provide specific information concerning
21 the project details, including location, of each component project
22 within the group or bundle. The reporting of projects should
23 convey a general sense of the scope and scale of work that is
24 intended to be completed over the course of the fiscal year.

25 This report shall be known as the "Annual Transportation Capital
26 Program" for the upcoming fiscal year. It shall include proposed
27 projects of both the Department of Transportation and the New
28 Jersey Transit Corporation. The program shall be consistent with,
29 and reflective of, the goals and priorities of the Capital Investment
30 Strategy and the program shall include an explanation which
31 demonstrates how it is consistent with, and reflective of, the goals
32 and priorities. The program shall be transmitted to the Legislature
33 in a document format that lists the projects as well as a spreadsheet
34 format that includes sortable fields for each of the data points
35 required to be included for each project in the program.

36 d. On or before March 1 of each year, the commissioner shall
37 also submit a "Transportation Trust Fund Authority Financial Plan"
38 designed to implement the financing of the proposed projects. The
39 financial plan shall contain an enumeration of the bonds, notes or
40 other obligations of the authority which the authority intends to
41 issue, including the amounts thereof and the conditions therefor.
42 The financial plan shall set forth a complete operating and financial
43 statement covering the authority's proposed operations during the
44 ensuing fiscal year, including amounts of income from all sources,
45 including but not limited to the proceeds of bonds, notes or other
46 obligations to be issued, as well as interest earned. In addition, the
47 plan shall contain proposed amounts to be appropriated and
48 expended, as well as amounts for which the department anticipates

1 to obligate during the ensuing fiscal year for any future
2 expenditures.

3 e. The Statewide Capital Investment Strategy, the Annual
4 Transportation Capital Program, and the Transportation Trust Fund
5 Authority Financial Plan shall be submitted to the Senate and
6 General Assembly. Within 45 days of the receipt thereof, the
7 Senate or the General Assembly may object in writing to the
8 commissioner in regard to any project or projects in the Annual
9 Transportation Capital Program it disapproves or which it is of the
10 opinion should be modified or added to or any additional or
11 alternative projects considered or in regard to any element of the
12 financial plan. The commissioner shall consider the objections and
13 recommendations and resubmit the report within 10 days,
14 containing therein any modifications based upon the commissioner's
15 consideration of the objections or recommendations.

16 f. In order that the Legislature shall be advised of the nature
17 and extent of public highways, public transportation projects, and
18 other transportation projects contemplated to be financed under this
19 act, the commissioner shall submit annually, together with the
20 Annual Transportation Capital Program, a Five-Year Capital Plan,
21 which shall set forth projects and programs anticipated to be funded
22 over the five-year period. The Five-Year Capital Plan shall, to the
23 extent practicable, conform to all federal requirements for Statewide
24 transportation capital programming.

25 (cf: P.L.2016, c.56, s.6)

26
27 7. Section 16 of P.L.2018, c.162 (C.27:25-5.27) is repealed.

28
29 8. This act shall take effect immediately.

30
31
32 STATEMENT

33
34 This substitute bill provides for changes to the New Jersey
35 Transit Corporation (NJ Transit) enabling statutes to increase
36 transparency and accountability and the independence of NJ Transit
37 board members.

38
39 Election of the vice chairperson

40 The bill provides that the vice chairperson of the NJ Transit
41 board of directors is to be elected from among the public voting
42 members of the board. The vice chairperson is to serve for a two
43 year term. The bill prohibits an ex officio member from serving as
44 the vice-chairperson of the board. The bill also prohibits designees
45 of ex officio members from presiding over any board meeting.

1 Public Meetings

2 The bill requires that board agendas be provided to the public
3 seven calendar days prior to the meeting and that the board is not to
4 allow more than 60 calendar days to elapse without holding a public
5 board meeting. The bill authorizes any board member to request,
6 through the office of the chair, that a topic of item be included for
7 discussion or board action at a future board meeting.

8

9 Board Hiring

10 This bill requires that the board of directors directly hire the
11 Executive Director, Director of the Office of Customer Advocate,
12 and Auditor General. It also requires board approval of hiring by
13 the Executive Director for certain positions including all positions
14 at the level of Senior Vice President and Chief.

15

16 Board and Committee Transparency and Accountability

17 The bill subjects major planning documents to review and
18 approval by the board of directors. The board is also required to
19 review and approve any substantial curtailment or elimination of
20 paratransit service. The bill requires the board to take an active role
21 in developing corporate bylaws and to adopt new bylaws within 180
22 days of the effective date of the bill to ensure consistency with
23 statutory law governing NJ Transit. The board is required to ensure
24 that the bylaws are available to the public and published on NJ
25 Transit's website.

26 Under the bill, NJ Transit personnel are required to make audit
27 documents in their final form available to the members of the board
28 in a centralized database. If NJ Transit has not yet established a
29 centralized database for these documents, the bill requires that the
30 documents be made available to a board member upon request. The
31 bill requires NJ Transit senior management to collaborate with the
32 administration committee on the development of any major fiscal
33 item. NJ Transit is prohibited from taking certain action concerning
34 a major fiscal item until the major fiscal item has been presented to
35 the administration committee. If the members of the administration
36 committee find that the major fiscal item should not advance or
37 needs to be modified, the full board may, at a subsequent board
38 meeting, require NJ Transit to take action.

39 The bill provides that the Auditor General and internal audit
40 department of NJ Transit are to report directly to the audit
41 committee and the board of directors and are to be independent of
42 the supervision of the Executive Director, unless specifically
43 authorized by the audit committee or the board.

44 The bill clarifies that each committee of the board is to serve as
45 an apparatus for members of the committee to obtain information
46 and to engage in policy discussions within the purview of the
47 committee. Upon request of a committee member, NJ Transit

1 personnel is required to provide information to the committee at a
2 time and in a form and manner determined by the committee.

3 The bill permits the establishment of any ad hoc or temporary
4 committee to address a specific issue of interest to the board or the
5 public. Each committee, standing or temporary, is to submit a
6 committee report to the board for each committee meeting, which is
7 to include the written summary of the substance of any discussions
8 and any action taken at the committee meeting.

9 The bill states that the Director of the Office of Customer
10 Advocate, or the director's designee, may attend any committee
11 meeting to provide pertinent information or commentary to the
12 committee. The chairperson of each passenger advisory committee
13 is authorized to provide pertinent information to any committee but
14 is not privileged to committee discussion. The bill also clarifies
15 that the board and each member of the board remain authorized and
16 obligated to exercise the functions and responsibilities of each
17 committee and emphasizes that each board member is required to
18 apply independent judgment while fulfilling the board member's
19 duties.

20

21 Customer Advocate

22 This bill repeals a provision of law that requires NJ Transit to
23 employ a customer advocate and, instead, establishes the Office of
24 Customer Advocate (Customer Advocate) to: provide information
25 and independent analysis to the NJ Transit board of directors on the
26 impact that board and NJ Transit actions are having, or are expected
27 to have, on NJ Transit's customers; provide genuine customer input
28 and feedback to the board of directors, including relaying the needs
29 and concerns of customers to the board of directors; and represent
30 the best interest of NJ Transit's customers as determined by the
31 Director of the Office of Customer Advocate. The Customer
32 Advocate is allocated within the Department of Transportation but
33 is independent of any supervision or control by the department,
34 provided, however, that the director of the office is to be supervised
35 by NJ Transit's board of directors.

36 The Customer Advocate is authorized to conduct investigations,
37 initiate studies, conduct research, present comments and testimony
38 before the board of directors, legislative committees, and other
39 governmental bodies, and prepare and issue reports. The Customer
40 Advocate is required to arrange for meetings with NJ Transit
41 passengers, on at least a monthly basis, for the purpose of: relaying
42 the concerns and needs of passengers to the board of directors and
43 the executive management team of NJ Transit; and providing
44 information to passengers on major board or NJ Transit actions of
45 which the director has knowledge. In addition to monthly meetings,
46 the director of the office may undertake any other action that the
47 director deems to be in furtherance of the Customer Advocate's
48 purposes. The Customer Advocate also has the authority to

1 represent the public interest regarding proposed fare increases,
2 proposed substantial curtailments of service, proposed expansion of
3 service, and any other action or omission of NJ Transit that the
4 Customer Advocate determines has an impact on NJ Transit's
5 customers.

6 The Customer Advocate is required to issue an annual report
7 detailing the office's activities for the prior year.

8 The bill reduces the number of persons appointed by the
9 Governor to each passenger advisory committee from six to five
10 and instead authorizes the Director of the Office of Customer
11 Advocate to appoint one person to each passenger advisory
12 committee. The bill also directs the passenger advisory committees
13 to provide advice, input, and guidance to the Office of Customer
14 Advocate.

15

16 Capital Program Public Hearing and Reporting

17 The bill requires NJ Transit to hold at least two public hearings
18 concerning the contents of the annual capital program before it
19 adopts and implements the program. The bill also requires NJ
20 Transit to hold at least two public hearings per year on its strategic
21 plan, capital program priorities, and vision for NJ Transit's future.
22 The bill provides requirements for the public hearings.

23 This bill amends the requirements for the annual transportation
24 capital program report that is annually submitted to the Legislature
25 as part of the annual budget process. This report is a
26 recommendation provided by the Department of Transportation and
27 NJ Transit for how the State should appropriate the State's capital
28 program appropriations from the New Jersey Transportation Trust
29 Fund.

30 The bill requires that the reporting of capital projects in the
31 report be more specific by narrowing the scope of what is to be
32 reported as a project down to the level of each contract of \$100,000
33 or more, or a group of contracts totaling more than \$100,000 that
34 are for related work at a single site. The bill also requires the
35 projects to be reported in a manner that conveys the scope and scale
36 of work to be completed over the course of the fiscal year. These
37 requirements are directed specifically at the reporting for NJ Transit
38 which has traditionally reported capital requests in broad categories
39 that obscure the specific capital work to be completed.

40 The bill also provides that the capital program is to be reported
41 in a document format as is currently the case, and to also require the
42 reporting of capital program information in a sortable spreadsheet
43 format.