

Discussion Points

1. *The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY09 and \$2.220 billion in FY10) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in either FY 2009, FY 2010 or both.*

Question: Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards.

NJDOT

NJDOT will receive \$651.7 million in funding from the Highway Infrastructure Program of the American Recovery and Reinvestment Act. The funding will support infrastructure projects; such as: roadway resurfacing and bridge repairs, through competitively bid contracts.

The breakdown for this total is as follows:

- \$468.0 million to NJDOT for State Highway projects.
- \$164.2 million to the state's three Metropolitan Planning Organizations (MPOs) for transportation projects on the local highway system.
- \$19.5 million for Transportation Enhancement projects. (These are projects that are administered by NJDOT in conjunction with local entities, and are primarily projects to provide streetscape improvements, restoration of historical transportation facilities, and recreational improvements geared toward bicyclists and pedestrians.

The types of jobs created are construction, engineering, manufacturing, and fabricating. The complete list of NJDOT ARRA projects can be found at:

<http://www.nj.gov/recovery/infrastructure/NJDOT%20ARRA%20Project%20List.pdf>

NJ TRANSIT

Federal stimulus funding is enabling NJ TRANSIT to accelerate more than a dozen key capital projects that will create and preserve jobs. NJ TRANSIT is investing more than \$424 million provided by the American Recovery and Reinvestment Act (ARRA) in transit projects that will build system capacity, extend accessibility and ensure service reliability for decades to come. Major investments include the long-awaited River LINE/Atlantic City Rail Line transfer station; River LINE frequency and safety improvements; minibuses that serve riders in rural areas and people with disabilities; station and parking rehabilitation projects; track

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and bridge repairs; major equipment overhauls; and a \$130 million investment in the Mass Transit Tunnel project. All projects will get underway this spring and summer. Construction will begin in 2009 and early 2010. Investments in all three of NJ TRANSIT travel modes – commuter rail, light rail and bus – are included in the geographically balanced package of projects being advanced with Stimulus funding. Additionally, all projects were subject to the approval of three regional oversight committees, called Metropolitan Planning Organizations, which guide the federal transportation expenditures. These projects will complement an array of capital projects already underway throughout the region and will create and preserve jobs as well as leave significant and lasting assets to future generations.

Question: Are there ARRA funds that flow through the Department of Transportation for which the State has no discretion?

There is a total of \$164 million that will be allocated by New Jersey three Metropolitan Planning Organizations (MPO) for dispersal to county and municipal governments. The state's three MPOs are: The North Jersey Transportation Planning Authority, the Delaware Valley Regional Planning Commission, and the South Jersey Transportation Planning Organization. Together, all three MPOs cover all of New Jersey's 21 counties. (The DVPRC also covers a portion of Pennsylvania in the Philadelphia metropolitan region.)

Question: Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount?

NJDOT

NJDOT began developing a list of transportation projects to be funded by the federal economic stimulus package in the fall of 2008 at Governor Corzine's directive to accelerate transportation projects. NJDOT examined its entire 10-Year Capital Program to identify projects that could be accelerated and become candidates for stimulus funding. Ultimately, NJDOT selected projects that it could deliver to the public as quickly as possible.

As details about the federal economic stimulus were revealed, NJDOT assumed that we would be required to authorize projects within 180 days. NJDOT initially selected \$1.4 billion in highway and bridge projects based upon our ability to meet the following guidelines within 180 days:

- Advance projects with minimal community impacts, Right of Way (ROW) acquisition, and permit requirements.
- Complete environmental document approvals.
- Streamline NJDOT's internal review process and making project delivery as cost-effective and efficient as possible.
- Identify projects located throughout the state.
- Identify construction as well as critical design and ROW initiatives so that future construction projects can be ready for delivery sooner than planned.

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Ultimately, the stimulus package required federal authorization of 50 percent of the allotted funding within 120 days of appropriation. Many of the projects in NJDOT's initial, \$1.4 billion pool could not be authorized within the 120-day timeframe. This required us to develop a program that would best meet the goals presented and put New Jersey in the best position to receive additional funding in the case that such funds are available through redistribution.

As a result of the parameters in the Act, NJDOT's ability to deliver projects quickly became the defining factor in project selection, in addition to application of sound engineering principles and extensive use of data generated by the Department's infrastructure management systems (bridge, pavement, and drainage) to guide our project selection.

NJDOT subsequently used the guidelines listed above to identify projects that can be fully authorized within 120 days. We determined that we can use stimulus funding to authorize 40 projects that are located throughout New Jersey and valued at \$468.0 million.

Selected projects include high cost movable bridge replacements, bridge deck replacements and rehabilitations, bridge deck and beam replacement, bridge painting, roadway reconstruction, resurfacing, drainage improvements, and highway safety improvements. NJDOT will devote its stimulus allotment to acquiring ROW for one project, designing nine projects, and starting construction on 30 projects. In addition, NJDOT identified additional shovel-ready projects and is prepared to obligate any additional stimulus funds that may become available from lower bids than anticipated or redirected to New Jersey through redistribution from other states. The projects represent an opportunity to improve New Jersey's infrastructure based upon the need for each project and the specified timelines of the stimulus legislation.

All ARRA funds have been programmed in the Statewide Transportation Improvement Program (STIP) in accordance with federal requirements. All ARRA funds have been allocated to projects with the exception of the \$19.5 million in Transportation Enhancement (TE) funds. NJDOT will consider TE projects from previous Local Aid solicitations that can be authorized for construction within the established one-year timeframe. In addition, through the current Transportation Enhancement solicitation, NJDOT plans to identify additional projects that can be ready for authorization within the one-year timeframe.

For the State Highway and Transportation Enhancement allocation, 50% of the combined total must be obligated within 120 days or the unobligated balance will be subject to redistribution to other states. The remainder of funds must be obligated within one year.

As of April 21, 2009 the Department has already obligated more than \$279 million of its allotment of ARRA funds for state highway funding meeting the 50% obligation requirement of the Act already.

The \$164 million allocation for the local projects via the three Metropolitan Planning Organizations (MPO's) does not have a 50% obligation requirement. The funds allocated to the MPO's must be obligated within one year or the balance will be subject to redistribution to other states.

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None of the funding can be used to offset other State appropriations. The State must maintain its expenditure of State transportation funds and New Jersey was required to certify same to the Federal government.

NJ TRANSIT

The NJ TRANSIT investment plan complies with the strict federal requirements for stimulus funds and follows Governor Corzine's direction to create and preserve jobs while also benefitting transit riders statewide. More than a dozen NJ TRANSIT projects meet strict federal guidelines that aim to ensure the swift expenditure of funds New Jersey receives for ARRA funding, committee members were told. Under the guidelines, NJ TRANSIT must obligate at least 50 percent of the apportioned funds within 180 days. As a result, only projects that have already received federal environmental approvals or that are exempt from that process are being accelerated.

Additionally, all projects are subject to the approval of three regional oversight committees, called Metropolitan Planning Organizations, which guide the federal transportation expenditures.

The North Jersey Transportation Planning Authority approved \$342 million in stimulus-funded projects while the South Jersey Transportation Planning Organization and Delaware Valley Regional Planning Commission approved a combined total of \$82 million in ARRA-funded projects.

Question: What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

None have been hired, nor are there currently any plans to hire new positions.

Question: If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

There are no new or expanded activities that would need funding in 2011.