Honorable James S. Simpson
Testimony on proposed NJDOT FY11 budget
New Jersey State Senate Budget and Appropriations Committee
10 a.m. April 22, 2010

Chairman Sarlo and committee members, thank you for the opportunity to testify before you today on behalf of Governor Christie’s FY 11 budget request for Transportation. I’d like to preface my remarks by noting that, due to the extraordinary circumstances surrounding the development of the capital budget for FY 11, the plan before you today is a draft document. I thank the Legislature for having allowed us additional time to work the state’s Metropolitan Planning Organizations and the Administration to create the final plan.

The capital program request for FY 11 – combining the needs of NJDOT and NJ TRANSIT – is estimated at $3.23 billion. This program is supported primarily by federal and state sources. The transportation budget as proposed requests nearly $1.25 billion in state appropriations, including $895 million for the
Transportation Trust Fund (TTF). The TTF funding will leverage approximately $1.43 billion for the capital program. I will focus my remarks on the NJDOT capital and operating spending plans, while my colleague, Jim Weinstein, who serves as executive director of NJ TRANSIT, will discuss the budget details for TRANSIT.

NJDOT’s draft capital program is $1.88 billion, which assumes support of $830 million from the TTF. We’re proposing an operating budget that would, if approved, rely on $45.6 million from the General Fund.

Priorities

As proposed, this budget places top priority on safety and state-of-good-repair. Sealing roadway cracks and making permanent repairs to damaged pavement sections are among the proven methods supported by this budget to take care of existing assets in an economical way.

This draft capital plan also supports capacity and congestion-relief initiatives that anticipate future demand. Keeping pace
with growing use of our infrastructure is essential to maintaining a mobile workforce, which helps New Jersey compete for and retain good jobs.

We have made a commitment to be citizen-centered, which means emphasizing initiatives that provide tangible benefits to the residents of New Jersey. An example of this is our plan to deploy about 20 additional cameras along roadways that will provide real-time traffic conditions to residents who visit our website before getting behind the wheel. These new cameras will supplement about 200 other NJDOT cameras that already benefit motorists.

In the coming fiscal year, we will be working toward expanding the use of Variable Message Signs along major routes that provide real-time options to help motorists avoid congestion. This citizen-centered philosophy is also reflected in the budget in projects that provide safe and efficient routes for residents and visitors to access employment, educational and recreational destinations, whether they are traveling by car, bus, train, bicycle or on foot.
These are challenging economic times for New Jersey and for the country. Residents are feeling squeezed and are rightfully demanding efficiencies in government. We are responding by bringing an entrepreneurial approach to the department that questions the status quo and seeks cost savings. Metrics are key to running a large organization. If you’re not measuring, you’re not managing.

We are beginning to measure costs and benefits and to track outcomes throughout the department. In short, we’re applying the best practices in public- and private-sector management to measure outcomes and improve performance. Our hands-on, collaborative management style means we’re continually asking questions: why do we do the things we do, what are doing that delivers no value, and what makes our transportation network safer, more reliable and more efficient for our citizens? We’re also subjecting the department’s organizational chart to the same rigorous analysis. We’re asking questions about staffing needs with the aim to eliminate inefficiencies and optimize our employees’ talents.
Highlights

Please allow me to highlight a few areas of the budget that illustrate our priorities. Among the significant road and bridge projects we’ll be advancing in 2011 is the Route 3 Passaic River Crossing Bridge, a major commuter route in and out of New York City. We’re also moving ahead with the Route 7 Wippenn Bridge replacement project. This bridge is a key truck route between Jersey City and Kearney.

The budget supports continuing work on the Route 52 Causeway bridge project linking Somers Point and Ocean City; the Route 46 Hackensack River Bridge repair project in Bergen County; and the major rehabilitation of Route 295 in South Jersey.

We’re investing more than $650 million in state and local bridges with projects that range from rebuilding the decks for smoother rides to rebuilding entire structures to add the lanes and capacity they need to handle current traffic volumes. NJDOT is responsible for nearly 14,000 lane-miles of interstate,
US and state highways. This budget devotes $157 million to repaving and reconstruction projects.

We’re targeting $77 million to safety programs that will benefit motorists and pedestrians alike with projects that improve safety at intersections and along roadways that have experienced high accident rates.

Transparency is a crucial management objective, especially in government. We will be reporting to you and to the public in the months and years ahead about what we are doing and why. We will continue to seek your input and the input of all stakeholders as we respond to your needs and create solutions to problems.

TTF

As I noted at the beginning of my testimony, the Transportation Trust Fund is expected to provide roughly $1.43 billion in support of both NJDOT’s and NJ TRANSIT’s FY11 spending plans. This figure approaches 90 percent of what the fund has provided in recent years. As you know, the TTF will need new revenues to support our transportation network in FY 12. Once
we get through the FY 11 budget process, I look forward to participating with the Administration, the Legislature and all stakeholders who share an interest in creating a plan that replenishes this crucial fund.

In conclusion, the state’s transportation plan takes into account the need to cut spending, operate at maximum efficiency, prioritize projects and do all of this without sacrificing safety, mobility and our mission to improve lives by improving transportation. Mr. Chairman, I thank you for this opportunity to discuss this plan with the committee, and I look forward to working with you and members of the Legislature in the coming weeks and months as we improve what is truly one of the most important commerce corridors in the nation. I am happy to take questions from the committee at this time.