Chairman Schaer and distinguished members of the Assembly Budget Committee, good morning. I thank you for the opportunity to offer testimony and answer any questions you may have on the Department of Transportation’s FY17 budget.

With me this morning are Interim Executive Director Dennis Martin from NJ TRANSIT and Administrator Ray Martinez from the Motor Vehicle Commission and they will be speaking separately about their agency’s respective spending plans.

Although I have attended previous budget hearings as an Assistant Commissioner, this is my first time testifying before the Budget Committee.

I look forward to a full and frank discussion of our shared goal of improving the lives of New Jersey residents by renewing our aging highways, bridges and public transportation system, and providing a modern and reliable system for all transportation modes.

Before touching on the highlights of this proposed budget, I'd like to share with you a brief sketch of my background.

I began my career at the New Jersey Department of Transportation in 1982, immediately after graduating from Rutgers University with a bachelor’s degree in Civil Engineering.

When I look back on those days I would never have imagined that one day I would be selected to lead this agency.

I have come through the ranks as a Bridge Inspector, Project Manager, Director of the Division of Project Management to the Assistant Commissioner of Capital Program Management, where I was responsible for the delivery of an $800 million dollar annual capital construction program and the management of 1,100 employees across six divisions, including in-house engineering, construction management, Right of Way acquisitions and infrastructure management systems.
With each promotion, my responsibilities grew and my perspective broadened. I note this, because my experience at the Department has made me intimately familiar with the kinds of problems our transportation network faces every day at every level.

One constant lesson I learned along my career path is heeding the importance of the project management triangle – that of maintaining cost, schedule and scope. For nearly 34 years I have lived and breathed these three disciplines.

Paying close attention to cost, schedule and scope – whether it involves rebuilding a bridge, resurfacing a highway, or acquiring a fleet of buses – is key to being a good steward of the resources that fund our projects and programs.

As commissioner, cost, schedule and scope will continue to guide my decisions.

I will never forget – nor will I allow my colleagues to forget – that our resources come from hardworking taxpayers, toll-payers and transit customers. We owe New Jersey residents and commuters our best efforts, which include:

- Listening to stakeholders and constituents,
- Utilizing innovative materials and techniques, and
- Investing in technology to help our customers get the most out of existing assets.

The Transportation Department continues to advance projects that improve our roads, bridges, rail and aviation infrastructure.

The proposed $3.8 billion spending plan – which assumes funding for a capital program at current levels – allows us to continue to invest in our system at the level the taxpayers of New Jersey have come to expect.

- A financing reauthorization plan for the Transportation Trust Fund is not yet in place, but I fully expect that there will be an agreement before the end of the current fiscal year on June 30.
- I eagerly await the Legislature’s plan to Governor Christie.
- We spend about 75 percent of our annual Capital Program on projects that promote a “State-of-Good-Repair.” And these investments are paying off.
- Last year the DOT paved 922 lane miles of highway – more lane miles than any single year in our history.
• The percentage of good pavement on our system has risen to 60 percent. That’s up from a low of 47 percent in 2008.

• We have reduced the number of structurally deficient bridges over the past five years from 330 to 292.
  
  o Structurally deficient does not mean that a bridge is unsafe. It means that one of three elements is in need of repair – the superstructure, the bridge deck or the substructure.

• We have invested $4.4 billion in state and local bridge replacement programs over the past six years.

• The Department expects to award approximately $700 million in construction contracts by the end of this current fiscal year. Major projects already awarded include:
  
  o Rt. 130 Raccoon Creek Bridge Replacement in Gloucester County ($52 million)
  
  o Rt. 3 & Rt. 46 Interchange Reconstruction in Passaic County ($42 million)
  
  o I-287/I-78/Rt. 202-206 Interchange Improvements in Somerset County, which is scheduled to be awarded by the end of the fiscal year.

• The proposed Capital Program will enable NJDOT and NJ TRANSIT to advance projects and programs that promote safety, mobility and a state-of-good-repair for the millions of New Jersey residents who rely on our transportation network.

• While becoming a leaner organization over the years, we are a more diverse organization.

• The total number of minority employees on the payroll is 1,045 – almost a third of total full time employees.

• While we did not have as many winter weather events to respond to this year as in past years, we still responded to 27 events, including Winter Storm Jonas, a major blizzard.

• As of March 31, the total cost to the Department for winter operations was approximately $57 million, with about half of it – $28 million – to deal with Jonas.
• Jonas was an historic storm. It dumped more than two feet of snow in 24-hour period across much of New Jersey and in some spots nearly dumped three feet.

• It surpassed the blizzard of 1996. And certainly posed the biggest challenge to the Department’s operational forces since the winter storm in December 2010.

• And the Department came through Jonas with flying colors. We mounted a great response by keeping up with the pace of snowfall rates which were at times 3 inches to 4 inches per hour in white-out conditions.

• We managed an orderly shutdown of NJ TRANSIT bus and rail operations and were able to bring it all back on line for the Monday morning commute.

• And we assisted the City of Newark in its efforts to dig out clogged city streets by providing emergency contractors and direct departmental assistance.

• The Transportation Department and NJ TRANSIT, along with county, local and federal law enforcement, also worked in concert last fall to coordinate travel in connection with Pope Francis’ historic visits to New York and Philadelphia.

• The planning for the Pope’s visit involved every unit in the Department.

• We worked under a unified command including the New Jersey Turnpike Authority, South Jersey Transportation Authority and New Jersey State Police, to ensure safety and mobility of travelers to and through our state.

• Traffic signals were adjusted, emergency response crews were on standby and we created a separate website “popenj.com” to keep officials and the motoring public informed.

• We even created a special Twitter account to get information into the hands of travelers as quickly and conveniently as possible.

• As a result our planning efforts were highly successful. We were well prepared and were able to provide timely information and quality services to all those who came to see the Papal Father.

• And the lessons we learned are being applied to all major events moving forward, including this year’s PGA Championship at Baltusrol Golf Club in Springfield.
Given that almost every state agency must learn to do "more with less" and maximize every dollar of resources provided to it, we at NJDOT have taken the call to innovate to heart:

- We recently launched an initiative to fundamentally reorganize the NJDOT Operations division. Crew members are being cross-trained in multiple disciplines. They can respond to maintenance needs faster than they could under the old system of compartmentalized job titles.

- We evaluate all bridge projects for the possible use of Accelerated Bridge Construction methods. This approach involves innovative materials and pre-cast components that can dramatically decrease construction time, minimize the effect on traffic, and other inconveniences for residents and commuters, which ultimately saves money.

As we look to be good stewards of taxpayers’ dollars, we never lose sight of our top priority: Safety.

New Jersey just completed its State Strategic Highway Safety Plan that clearly identifies where safety investment needs to occur, as well as proven strategies that can reduce fatalities and serious injuries.

Our greatest highway safety risks include crashes at intersections, lane departures, and pedestrian crashes.

Sixty percent of fatalities and serious injuries in the state occur on local streets and county roads, so we work with local governments to provide federal grants for safety projects, and we encourage them to adopt Complete Streets policies, which requires that prospective road projects include safe accommodation for pedestrians and bicyclists.

Over the past two fiscal years, we have obligated nearly $100 million dollars in federal safety funds to projects that save lives, with much of that funding going to local governments.

These funds have advanced strategies including high friction surface treatments on curves, road diets, and roundabouts, as well as addressing specific high-crash locations.
This year we also installed the last of 767 miles of centerline rumble-strips throughout the state, which have proven to be a cost effective safety measure that saves lives.

We have also nearly completed our Median Crossover Protection Program along state-owned interstates, freeways and expressways, bringing the total miles installed to 202.

There are only two half-mile segments remaining and we expect them to be completed by the end of this fiscal year.

The program has been an incredible success by drastically reducing the numbers of accidents, injuries and fatalities caused by vehicles straying over roadway medians.

And despite a steady decline in serious injuries and fatalities in recent years, we are not satisfied. We will continue to strive for enhanced safety for all who share our roads.

In the past year, certain organizations and individuals have been trying to convince you that NJDOT has failed to properly control its costs to fix roads and bridges.

I am referring to the annual Reason Foundation report, which claims that NJDOT spends about $2 million dollars to repair or rebuild a mile of highway.

This is plainly and simply false!

NJDOT estimates the average cost to repair and rebuild a lane-mile of highway in New Jersey is approximately $250,000. Independent studies have verified our estimates.

The Reason Foundation’s methodology is flawed because it uses “center-line” miles instead of “lane” miles in its calculations. Our system, including toll roads has more than 3,300 center-line miles but has more than 11,000 lane miles.

New Jersey has the most lane miles per center-line mile than any other state in the nation.

Also, the Transportation Department has jurisdiction of only 6 per cent of the entire roadway network in New Jersey. The counties, municipalities, toll and bridge authorities have jurisdiction over the other 94 percent.

We provide about $330 million per year in Local Aid to support county and municipal road infrastructure, but county and municipal center-line miles are not counted in the Reason Foundation calculus.
States with greater jurisdiction over local infrastructure – like Delaware at 85 percent and Pennsylvania at over 33 percent – fare better in the Reason analysis because it counts those miles.

Also, we are the most densely populated and congested state in the nation and we have to balance the need to maintain traffic flow with our need to make repairs.

Repair or reconstruction work on major routes has to be done a night, which significantly raises the costs. This factor should have been taken into consideration, but was not.

In closing, I believe the Department of Transportation is presenting a budget that allows us to continue to fulfill our mission of providing mobility and safety and state of good repair to our users.

Thank you, Mr. Chairman – and with your permission, Dennis Martin would like to offer some remarks specific to NJ TRANSIT's budget.

# # #