



**NEW JERSEY DEPARTMENT OF TRANSPORTATION**

**COMMISSIONER  
DIANE GUTIERREZ-SCACCETTI  
NJ Assembly Budget Committee Testimony  
September 14, 2020**

Good afternoon Chairwoman Pintor-Marin, Vice Chairman Burzichelli and members of the Assembly Budget Committee. Thank you for the opportunity to appear before you today to provide an update on activities at the New Jersey Department of Transportation.

A lot has been happening at the Department since the last time we were together. Let me start by addressing activities surrounding the onset of the Novel Coronavirus 19.

Under Executive Order 122, Governor Murphy deemed transportation construction projects as essential during the COVID-19 state of emergency. There is no doubt that transportation played a strong supporting role in addressing the impacts of the pandemic. The Department was able to quickly pivot the vast majority of its workforce to a temporary alternate work location program – also known as home.

The importance of continuing transportation construction cannot be overstated. Public works projects have always been an essential element of a strong economy and an economic stimulus in a weak economy. In this instance, the pandemic coincided with the beginning of the calendar year 2020 construction season and the final three months of the fiscal year 2020 capital program. Delivering that capital program while maintaining the health and safety of our employees and partners in the New Jersey State Police, consulting industry and contracting industry was critical. Field employees were provided with personal protective equipment, while others were able to perform work from home with limited visits to NJDOT Offices.

Traffic on the state highway system hit its lowest volumes on March 29, 2020 at 25% of normal vehicle miles traveled. Today, traffic recovery is at virtually 100% of pre-COVID levels; it has fluctuated between high 90% to over 100% range in July and August with the exception of only three days.

As a result of this significant reduction in traffic, we made some operational decisions to make best use of the ability to work on the system. First, we extended lane closure hours by one hour in the morning and one hour in the evening. If requested, we would extend beyond those times. The I-287 Northbound Resurfacing from Route 202/206 in Bedminster to South Street in Morris Township is a good example of a benefit of this change. This 12-mile pavement project will finish eight to nine months ahead of schedule.

Second, we moved nighttime work to daytime. An example is the Route 1 Southbound Ramp to I-295 drainage work in Lawrence Township that was scheduled to be done at night. It was shifted to daytime hours, cutting costs and increasing safety.

Finally, we made use of unanticipated emergency repairs to complete additional maintenance tasks. An example of this type of opportunity was when a sinkhole developed on the Route 19 southbound mainline in the vicinity of Broad Street in Clifton. The sinkhole grew quickly and required the closure of southbound Route 19. As the detour was put in, it became clear that we had an opportunity to close the same section in the northbound direction with a goal of doing a comprehensive maintenance program. The bi-directional detour was implemented and, in addition to a major sinkhole repair, vegetation issues were addressed, major lighting upgrades were made, road sweeping was completed and litter was picked up. NJDOT made the best use of the reduced traffic.

Also, during this time period, and as part of our Commitment to Communities, the Department worked cooperatively with municipalities in implementing outdoor dining. Many town main streets are a part of the state highway system. State Route 27 is Main Street in Princeton and Highland Park. Route 23 is Main Street in Cedar Grove. NJDOT worked cooperatively to process permits to allow expanded outdoor dining.

Speaking to the good work of the NJDOT staff, I am pleased to advise that the Department has received two regional awards in the 2020 America's Transportation Awards competition. The first is for the Route 72 Manahawkin Bay Bridges Project which received the Regional Quality of Life/Community Development Medium Project Award. This major bridge replacement included the development of Cedar Bonnet Island into a family-friendly environmental sanctuary. The second is the Route 280/Route 21 Interchange Improvements Project that won in the Operations Excellence, Medium Project category.

The Manahawkin Bay Bridges Project was subsequently selected to compete at the National level as a finalist in the 2020 America's Transportation Awards competition. Only 12 projects from across the country are selected to compete. The project may be selected for either the Grand Prize or the People's Choice Award. NJDOT would appreciate your support. Please cast your vote for the People's Choice Award at [AmericasTransportationAwards.org](https://AmericasTransportationAwards.org). You can vote once a day until October 25, 2020. The winning project in each category will receive a \$10,000 check to be used for a transportation scholarship or charitable contribution.

The last award I will bring to your attention is the 2020 Francis B. Francois Award. This award recognizes transportation innovation. NJDOT won this award for its Marine Navigation Retro-reflective Markers. NJDOT will receive a \$10,000 award to provide a graduate fellowship at a State University.

As further recognition of the Department's hard work and success, the Federal Highway Administration has awarded NJDOT an additional \$150 million in additional funds. Since 2018, the Department has received \$280 million in redistributed funds. In comparison, for the period 2010 – 2017, the Department received only \$140 million, and in some years was not in a position to request any redistributed funds. Since 2018, we have

submitted a request each year, continually increasing the amount of the request. As the funds must be obligated by the end of the federal fiscal year, the funds are used to accelerate projects that are in the pipeline.

But not everyone is convinced on the performance of the Transportation Trust Fund. Permit me a few moments to provide data that will reflect the Department's efforts. Each year since the 2016 Transportation Trust Fund Reauthorization, NJDOT has programmed a \$2 Billion Capital Program. The Capital Program breaks down as follows:

NJDOT	\$810 Million
Local Aid	\$430 Million
NJ Transit	\$760 Million

It is important to note, however, that project programming is not the same as project expenditures. As you all know, the TTF was in dire straits for many years, so much so that it shut down in the summer of 2016. It was the courage of the New Jersey Legislature that began the process of restoring the Trust Fund and addressing the transportation infrastructure of our state.

The gas tax increase took effect on November 1, 2016, which was the second quarter of the 2017 fiscal year. Thus, the first full year of revenue impact was Fiscal Year 2018.

The continuing question seems to focus on expenditures. So let's talk about that. How many of you have purchased a share of stock? And what kind of performance do you anticipate in the first weeks? Certainly not to have significant earnings – we expect the stock to pay dividends over time.

The same is true for the Transportation Trust Fund. The gas tax increase was a much-needed infusion of capital dollars, but at the same time, the Capital Plan had to be rebuilt. To take a project from concept development to construction may take anywhere from two to three years. Thus, it will take time for expenditures, heavily weighted by construction activities, to meet or exceed the NJDOT allocation of the \$2 billion annual program. So, in 2018, expenditures were 75% of appropriations. In 2020, expenditures were \$812 million based on an \$810 million appropriation – just over 100%.

NJDOT is delivering on the goals of the Transportation Trust Fund Reauthorization; so much so, that I am pleased to advise that NJDOT will deliver an additional \$600 million in capital projects in FY2021 for a total Transportation Trust Fund Program of \$1.410 billion. The economic impact of this program is substantial. With this additional funding, the total Fiscal Year 2021 construction investment will be approximately \$1.35 billion. For every dollar invested, \$5 of economic benefit is generated, and for every \$1 billion of investment a minimum of 15,000 jobs are created (direct, indirect and induced). That creates an overall economic benefit of almost \$7 billion and over 20,000 jobs.

In addition to the Capital Plan, NJDOT continues to support the Transportation side of the Infrastructure Bank. To date, 13 loans have been made in a total amount of \$49,517,976. There are five loans pending with a total amount of \$26,748,922.

The impact of the 2016 Transportation Trust Fund Reauthorization cannot be overstated. A re-energized staff, a robust capital program and a growing transportation infrastructure bank.

As I close on this topic, I would like to make certain that the gas tax is put in its proper context. According to the Eastern Transportation Coalition (formerly the I-95 Corridor Coalition), the average New Jersey motorist will spend \$269 per year on the New Jersey Gas Tax. That same motorist would spend an additional \$98 annually on the Federal Gas Tax, for a total of \$367. That is \$30.59 per month. Now compare that to a monthly cell phone bill or cable television bill. In context, the investment in transportation delivers significant value to those who depend on it every day.

There are two initiatives I wish to bring to your attention. First, NJDOT is leading the current phase of the mileage-based user fee study being conducted by the Eastern Transportation Coalition. The purpose is to collect data that will be sufficient to analyze the viability of a mileage-based user fee as a sustainable transportation funding source. With the growth in the use of more fuel efficient vehicles and electric vehicles, it is important to study alternatives to allow our transportation system to be maintained in a state of good repair. Some of you may have received an invitation to participate in the study and thank you in advance for your cooperation.

Second, the four major New Jersey transportation agencies – NJDOT, NJ Transit, New Jersey Turnpike Authority and South Jersey Transportation Authority – have come together to develop an electrification infrastructure so that we may begin the conversion of our light duty fleets to electric, and do so in a way that allows for system compatibility that benefits all agencies. We are on track to meet, if not exceed, the goals of S-2252.

Thank you for your support of the New Jersey Department of Transportation and for your time today.