



NEW JERSEY DEPARTMENT OF TRANSPORTATION

**ACTING COMMISSIONER
DIANE GUTIERREZ-SCACCETTI
NJ Assembly Budget Committee Testimony
April 30, 2018**

CHAIRWOMAN PINTOR-MARIN, VICE-CHAIRMAN
BURZICHELLI, AND DISTINGUISHED MEMBERS OF THE
ASSEMBLY BUDGET COMMITTEE, GOOD MORNING!

I AM DIANE GUTIERREZ-SCACCETTI AND WITH ME ARE
EXECUTIVE DIRECTOR KEVIN CORBETT FROM NJ TRANSIT,
AND ACTING CHIEF ADMINISTRATOR SUE FULTON FROM
THE NJ MOTOR VEHICLE COMMISSION.

THEY WILL BE SPEAKING SEPARATELY ABOUT THEIR
AGENCIES RESPECTIVE SPENDING PLANS.

I AM GRATEFUL FOR THE OPPORTUNITY TO OFFER THIS OPENING STATEMENT AND RESPOND TO QUESTIONS YOU MAY HAVE ON THE DEPARTMENT OF TRANSPORTATION'S FISCAL YEAR 2019 BUDGET AND CAPITAL PROGRAM.

I OFFER A HUGE THANK YOU TO GOVERNOR MURPHY FOR GIVING ME THE OPPORTUNITY OF A LIFETIME TO BECOME THE CHIEF ADVOCATE FOR TRANSPORTATION IN NEW JERSEY.

I AM ACUTELY AWARE OF THE TREMENDOUS AMOUNT OF RESPONSIBILITY COMMENSURATE WITH THIS POSITION AND THAT IT COMES WITH AN EVEN GREATER AMOUNT OF ACCOUNTABILITY.

I BELIEVE THAT FISCAL YEAR '19 WILL BE A TRANSFORMATIVE YEAR FOR THE NEW JERSEY

DEPARTMENT OF TRANSPORTATION AND ITS ALLIED
TRANSPORTATION AGENCIES.

I AM PLEASED TO ADVISE THAT DOT IS BEGINNING TO
DELIVER ON THE BENEFITS OF THE EIGHT-YEAR
TRANSPORTATION TRUST FUND REAUTHORIZATION, AND I
BELIEVE WE WILL CONTINUE TO SEE THE BENEFITS
PROVIDED BY THE REAUTHORIZATION.

I AM AWARE OF ALL THE EFFORTS THAT SUPPORTED THE
GAS TAX INCREASE AND MY COMMITMENT IS TO SPEND IT
IN AN EFFICIENT AND TIMELY MANNER.

OUR TRANSPORTATION NETWORK IS THE LIFEBLOOD OF
OUR ECONOMY.

IT ENHANCES THE QUALITY OF OUR LIVES...IT ENABLES OUR COMMUNITIES TO THRIVE...IT FOSTERS THE COMMERCIAL DEVELOPMENT THAT WE DESIRE...AND PROVIDES THE ABILITY FOR FUTURE GENERATIONS TO PROSPER.

WHAT I BELIEVE THIS BUDGET WILL SUPPORT IS:

- MAKING OUR TRANSPORTATION AGENCIES MORE FOCUSED ON THE NEEDS OF OUR MANY CUSTOMERS...
- ENHANCING OUR ABILITY TO DELIVER HIGH QUALITY SERVICES, PROJECTS AND PROGRAMS TO THE USERS OF OUR SYSTEM...
- AND PROVIDING RELIEF FROM YEARS OF MOUNTING DEBT.

SINCE MY ARRIVAL AT DOT IN JANUARY WE HAVE HIT THE GROUND RUNNING.

AS ONE OF HIS FIRST ORDERS OF BUSINESS, GOVERNOR MURPHY SIGNED EXECUTIVE ORDER NO. 5, WHICH MANDATES A FULL AUDIT OF THE OPERATIONS OF NJ TRANSIT, AND PLACES RESPONSIBILITY IN ME TO ENSURE THE OBJECTIVITY OF THE AUDIT AND THE IMPLEMENTATION OF CORRECTIVE MEASURES.

IN THE INTERIM, A SIX-POINT PLAN WAS DEVELOPED TO PROVIDE IMMEDIATE RELIEF TO OUR TRANSIT CUSTOMERS.

I HAVE ALSO BEEN WORKING WITH SENIOR LEADERSHIP AT NJDOT TO REFRESH OUR AGENCY'S ORGANIZATIONAL STRUCTURE SO THAT WE CAN DELIVER ON THOSE MOST-

NEEDED PROJECTS AND DEMONSTRATE ACCOUNTABILITY TO THE PUBLIC.

THE GOVERNOR'S PROPOSED FY '19 BUDGET WILL ADDRESS THE MOST IMPORTANT ASPECT OF OUR MISSION, WHICH IS TO PROVIDE SAFE AND RELIABLE SERVICE TO THE HUNDREDS OF THOUSANDS OF DAILY RIDERS AND MOTORISTS.

BUT THIS CANNOT HAPPEN WITHOUT DEDICATED EMPLOYEES.

AT NJ TRANSIT, WE HAVE AN EXTRAORDINARY TEAM OF WOMEN AND MEN COMMITTED TO PUBLIC SERVICE, BUT THEY HAVE SUFFERED FROM INADEQUATE STAFFING THAT HAS REQUIRED THEM TO DOUBLE THEIR PACE IN AN ATTEMPT TO DELIVER FOR OUR CUSTOMERS.

THIS BUDGET PROVIDES FOR AN APPROPRIATION OF \$383 MILLION IN OPERATING FUNDS—AN INCREASE OF \$242 MILLION FROM FY '18 LEVELS—TO ADDRESS NJ TRANSIT'S CHRONIC UNDERFUNDING FOR BUS AND RAIL OPERATIONS.

NJDOT WAS SUBJECT TO A HIRING FREEZE FOR ALMOST A DECADE THAT HAS CREATED A SIZEABLE SKILL VOID AMONG STAFF.

WHILE OUR AGENCY HAS BEEN ABLE TO GAIN BACK GROUND WITH FTE POSITIONS OVER THE PAST FEW YEARS, WE STILL ARE LOSING OUR MOST EXPERIENCED PEOPLE TO RETIREMENT AT A FASTER RATE THAT WE CAN DEVELOP THE INTERNAL TALENT POOL NECESSARY FOR CONTINUITY.

IN ORDER TO ADDRESS THIS SKILL GAP, I AM EXPLORING WAYS TO DELIVER KEY SERVICES THROUGH STAFF AUGMENTATION, WHICH WILL PROVIDE FLEXIBILITY TO FILL CRITICAL STAFF SHORTAGES AS NEEDED, AND THEN REDUCE LEVELS WHEN NEWER HIRES ACQUIRE THE CAPABILITIES TO PERFORM HIGHLY SPECIALIZED TASKS.

PROVIDING THE BEST SERVICES POSSIBLE TO OUR CUSTOMERS IS KEY TO THE MURPHY ADMINISTRATION'S TRANSPORTATION STRATEGY, WHETHER AT NJDOT OR NJ TRANSIT.

OUR CUSTOMERS ARE DIVERSE AND RANGE FROM THE RESIDENTS WHO USE OUR ROADS AND BRIDGES, TO THOSE WHO RIDE THE RAILS AND BUSES, TO THOSE

COMMERCIAL ENTITIES AT OUR PORTS WHO USE OUR
INFRASTRUCTURE TO FURTHER OUR ECONOMIC FUTURE.

TODAY'S TRANSPORTATION AGENCIES MUST BE
FORWARD-FACING AND THE GOVERNOR WANTS NOTHING
LESS THAN FULL TRANSPARENCY.

TO THE EXTENT WE CAN IMPROVE ON THIS I AM LOOKING
AT:

- NEW PROCESSES FOR STREAMLINING RESPONSE
TIMES FOR SERVICES SUCH AS PERMIT ISSUANCE.
- AND PROVIDING TIMELY INFORMATION TO THE
PUBLIC ABOUT PARTICIPATION IN PROGRAMS,
APPLICATION DEADLINES AND TRAINING
OPPORTUNITIES.

THE ANNUAL CAPITAL BUDGET IS THE BLUEPRINT FOR
WORK OUR AGENCIES PLAN TO FUND IN A GIVEN YEAR.

THE FY '19 CAPITAL BUDGET PROVIDES FOR MORE THAN
\$2 BILLION IN INFRASTRUCTURE INVESTMENTS AND IS
BROKEN DOWN AS SUCH:

- \$553 MILLION FOR STATE AND LOCAL BRIDGES
- \$400 MILLION FOR PAVEMENT RECONSTRUCTION AND
RESURFACING
- \$140 MILLION FOR SAFETY IMPROVEMENTS
- \$340 MILLION FOR CONGESTION RELIEF
- \$73 MILLION FOR BICYCLE AND PEDESTRIAN
IMPROVEMENTS, AS WELL AS FOR MARITIME,
FREIGHT AND RAIL INITIAITVES.

THE LARGEST PIECE OF THE CAPITAL PROGRAM—\$683 MILLION—GOES TOWARD LOCAL SYSTEM SUPPORT, WHICH INCLUDES \$430 MILLION FOR STATE LOCAL AID.

THIS CATEGORY HAS BEEN INCREASED SIGNIFICANTLY FROM PRIOR FUNDING LEVELS OF \$190 MILLION AS PART OF THE TRANSPORTATION TRUST FUND REAUTHORIZATION.

IN FY '18, WE AWARDED THE LARGEST AMOUNT OF LOCAL AID EVER TO MUNICIPAL GOVERNMENTS...\$161 MILLION FOR 505 GRANTS.

THAT'S UP FROM \$79 MILLION AND 364 GRANTS IN FY '17.

THE SUCCESS OF THIS TTF REAUTHORIZATION WILL BE IN LARGE PART DETERMINED BY THE PARTNERSHIP

BETWEEN LOCAL GOVERNMENTS AND NJDOT TO PICK THE RIGHT PROJECTS FOR DELIVERY.

LOCAL GOVERNMENTS ARE ALSO OUR CUSTOMERS.

TRANSPARENCY, TWO-WAY COMMUNICATION AND ASSISTANCE IN APPLYING FOR GRANTS WILL ULTIMATELY HELP THEM DELIVER THEIR INCREASED CAPITAL PROGRAMS.

SOME OTHER BUDGET HIGHLIGHTS—THIS BUDGET PROVIDES \$22.5 MILLION IN SEED MONEY FOR THE NEW JERSEY TRANSPORTATION INFRASTRUCTURE BANK, WHICH IS FUNDED THROUGH CONTRIBUTIONS FROM OUR LOCAL AID INFRASTRUCTURE FUND.

LOCAL GOVERNMENTS CAN USE THE TRANSPORTATION INFRASTRUCTURE BANK TO SECURE LOW COST LOANS,

WHICH CAN THEN BE LEVERAGED AGAINST THEIR LOCAL AID GRANTS FOR ADDRESSING LARGE SCALE PROJECTS, LIKE STRUCTURALLY DEFICIENT BRIDGES, THE COSTS OF WHICH WOULD FAR EXCEED A TYPICAL LOCAL AID GRANT.

IN ADDITION, THIS BUDGET PROVIDES FOR A MAJOR SHOT OF “PAY-AS-YOU-GO” FUNDS, A CRUCIAL COMPONENT OF THIS ADMINISTRATION’S GOAL TO REDUCE FUTURE BORROWING.

FOR THE FIRST TIME SINCE FY 2012, GOVERNOR MURPHY WILL SUPPORT THE ANNUAL CAPITAL PROGRAM WITH \$507 MILLION IN “PAY-AS-YOU GO” PROVIDED IN FY ’19.

THIS IS SIGNIFICANTLY MORE THE AMOUNT PROVIDED SEVEN YEARS AGO AND REDUCES THE TRANSPORTATION TRUST FUND AUTHORITY’S HISTORICAL RELIANCE ON

BORROWING TO FUND CRITICAL TRANSPORTATION
PROJECTS.

MAKING SURE THAT OUR ACCOMPLISHMENTS ARE
UNDERSTOOD AND THAT OUR PERFORMANCE IS TRACKED
VISIBLY WILL BE OTHER CRUCIAL MEASURES OF OUR
SUCCESS.

I KNOW THAT WE CAN DO A BETTER JOB OF
COMMUNICATING OUR ACCOMPLISHMENTS TO YOU IN THE
LEGISLATURE, AND TO AN OFTEN SKEPTICAL PUBLIC.

TO THAT EXTENT, I AM INCREASING THE DEPARTMENT'S
PRESENCE ON SOCIAL MEDIA PLATFORMS TO BETTER
DELIVER THE DEPARTMENT'S MESSAGES TO TODAY'S
DEVICE-CONNECTED AUDIENCES.

IN ADDITION, WE ARE WORKING ON A REFRESHED WEBSITE THAT WILL BE CUSTOMER-FOCUSED AND USER FRIENDLY.

TRANSPARENCY ON THE PART OF GOVERNMENT IS SOMETHING THAT THEN-CANDIDATE MURPHY CALLED FOR PRIOR TO TAKING OFFICE, AND I AM COMMITTED TO MAKING SURE THAT WE DELIVER IT.

THANK YOU AGAIN FOR YOUR PATIENCE AND SUPPORT AS I WORK MY WAY THROUGH THIS FIRST BUDGETARY CYCLE.

I WILL BE HAPPY TO ANSWER ANY QUESTIONS FROM THE CHAIR AND THE REST OF THE COMMITTEE.

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