



NEW JERSEY DEPARTMENT OF TRANSPORTATION

ACTING COMMISSIONER FRAN O'CONNOR NJ Senate Budget and Appropriations Committee FY2025 Testimony April 11, 2024

Good morning, Chair Sarlo, Vice Chair Greenstein, and members of the Senate Budget and Appropriations Committee.

Thank you for the opportunity to appear before you today to provide an update on the critical work the New Jersey Department of Transportation is doing and our outlook for Fiscal Year 2025.

Primary members of the NJDOT team with me today are Deputy Commissioner Joseph Bertoni; Chief of Staff Chris Scales; Assistant Commissioner of Administration Kelly Hutchinson; Chief Financial Officer Chuck Maciejunes; Assistant Commissioner of Statewide Planning, Safety and Capital Investment Eric Powers; and Assistant Commissioner of Local Resources and Community Development Laine Rankin, and Assistant Commissioner of Operations Chris Feintheil.

I've been at the New Jersey Department of Transportation for about two months now. I've had meetings across the state to discuss NJDOT's projects with many of our elected officials at the local, county, and state level, as well as transportation industry stakeholders.

It's been an honor stepping into the role of NJDOT's Acting Commissioner and continuing the great work of former Commissioner Diane Gutierrez-Scaccetti. I want to take a moment to acknowledge Diane and her contributions to the transportation industry. As NJDOT's longest-serving Commissioner, she leaves behind an incredible legacy of excellence in this field.

Commitment to Communities

Something Diane and I have in common is our Jersey pride. That's what fuels our shared desire to serve the communities that make New Jersey a state like no other.

For those of you who had the pleasure of working with Diane during her tenure here, you know about her Commitment to Communities vision. She not only went above and beyond in her state-level duties for NJDOT, but she also worked closely with counties and municipalities to promote and advance transportation initiatives at the local level.

I plan on leading NJDOT with that same dedication to our communities. As I step into this role, I'm embracing this opportunity to serve my home state and advance Governor Murphy's vision of a safe, reliable, and equitable transportation system for all New Jerseyans.

TTF Renewal

Let's begin with the things that directly affect the communities you serve – the most important of these being the renewal of the Transportation Trust Fund.

Thank you for making this happen. If the TTF authorization had expired on June 30th, it would have jeopardized the work we do – not just on state roads and bridges, but at the county and local level as well.

The TTF is vital to maintaining and improving our state's transportation infrastructure, funding projects that improve safety and quality of life for our communities. It allows NJDOT to continue offering grants through our Local Aid programs, funding important infrastructure projects and reducing the tax burden on residents.

Local Aid

That's why NJDOT dedicates so much Local Aid funding to help counties and municipalities invest in transportation projects – and nearly all of that money comes from the Transportation Trust Fund.

Under the renewal, Municipal and County Aid programs will receive \$184 million in additional funding over the final three years.

Local Bridges Fund

Another grant program that has made an impact on local infrastructure is the Local Bridges Fund, which provides grants to improve county-owned bridges. The 2016 TTF renewal increased funding for the program from \$25 million a year to \$44 million dollars each year, which will continue.

I-Bank

The 2016 TTF Renewal also provided funding to create the Transportation Infrastructure Bank, or "I-Bank" to provide low interest loans for higher cost municipal and county transportation projects that exceed what NJDOT can provide with Local Aid grants. Since its creation in May 2018, the I-Bank has provided \$92 million in closed loans to 26 projects and allocated an additional \$72 million to 14 projects in design for a below-market, legislated financing initiative totaling \$164 million.

Local Aid Resource Center

Our Local Aid Resource Center provides support and technical assistance to counties and municipalities to help facilitate local projects. One of our priorities is to answer our customers' questions in a timely manner. This continues to be an essential service that we provide through the Resource Center.

ALICE

As we all know, there is more to life than just getting to and from work. Transportation options affect the choices and trade-offs people make.

When people can't get to where they need to be consistently, they are experiencing Transportation Insecurity. They fall into the category of ALICE, which stands for Asset Limited, Income Constrained, Employed. They are our friends, family and neighbors.

NJDOT is working with public, private, and civil sector partners to pursue Community-Centered Transportation - ensuring our system is focused on connecting people, moving goods, and meeting customer needs.

Capital Program

Under Governor Murphy's leadership, NJDOT has undertaken an historic level of infrastructure investment that provides the foundation for a safe, efficient, and equitable multimodal transportation system.

In FY23 the Department awarded 117 construction contracts with a total value of \$932 million, and 161 consultant selections for design and inspection work, for a total of \$352 million.

In FY24 through April 9th, 85 construction contracts have been awarded, released for bid, or are currently being advertised, at an estimated total of \$1.01 billion. By the close of the fiscal year, the Department is confident that it will have awarded the projected 117 contracts at a value of \$1.1 billion.

In addition, there have been 99 consultant selections valued at \$295 million. By the end of FY24, we will have made 127 consultant selections at a total of \$394 million. These consultants will help to keep our project pipeline moving full speed ahead.

Recruitment Efforts

NJDOT has been focused on the recruitment of the next generation of transportation professionals, as well as developing our existing team.

In Calendar Year 2023, the Department hired more than 650 new full-time, temporary, part-time, and seasonal employees, reducing our vacancy rate to 8.9 percent. Those numbers tell me people have a commitment to serving our communities and want to do so as part of the New Jersey Department of Transportation.

In an effort to continue to grow our pipeline of talented candidates that reflects the diversity in New Jersey, we are building relationships with several organizations including New Jersey's Best Buddies Jobs program and our County Vo-Tech schools. We've also applied to partner with the Department of Defense's Skill Bridge program for veterans transitioning from the military to civilian life.

The common thread that runs through all these efforts is that NJDOT is developing the workforce that will build the transportation infrastructure in New Jersey for decades to come.

Investments Paying Off

All of us here today recognize that transportation is an essential aspect of our state's infrastructure and economy. Investments in infrastructure result in tangible improvements that enhance the quality and experience of traveling through New Jersey.

Our roads are in better condition than they have been in years. We set a goal, several years ago, to make 80 percent of NJDOT's roads in good or fair condition. We've exceeded that goal and are now at 81 percent. Our new goal for 2032 is 90 percent but that will take consistent investment.

We've also improved the condition of bridges in the state. Approximately 94 percent of bridges in New Jersey are in "acceptable" condition – which means good or fair. There is still work to be done. One of the ways we are improving our planning is through the development of a risk assessment tool to prioritize our bridge work.

Safety

Nothing is more important to me as Acting Commissioner, and the work we do at NJDOT and our sister agencies, than safety on our roadways for all users.

Of particular concern is safeguarding the lives of our hard-working roadway technicians and first responders who face dangers everyday working alongside speeding vehicles, heavy equipment, and distracted drivers. We can't control driver behavior, but we did undertake an education campaign last year to increase awareness.

Another area that we are focusing on is Pedestrian Safety. The number of pedestrian fatalities declined in 2022 and 2023, but even one is too many. We are taking steps to get to zero deaths by addressing pedestrian improvements systematically and proactively.

There are more than 91 pedestrian safety projects in the Highway Safety Improvement Program and another 71 projects in the capital project pipeline related to pedestrian safety.

The Route 129 Pedestrian Safety Improvement Project in Trenton made improvements for both pedestrians and cyclists at three signalized intersections on Route 129 – at Lalor Street, Cass Street, and Hamilton Avenue where there has been a history of crashes.

NJDOT is a national trailblazer with the installation of Red Clearance Extension technology at those intersections. The system detects approaching pedestrians and activates the WALK sign. If the pedestrian needs more time in the crosswalk the system extends the red light for the opposing traffic. Preliminary data indicates that this has improved safety for the pedestrians along this corridor.

Climate Change and Resiliency

As we have seen in the past few months and years, extreme weather has become the norm. NJDOT and the entire transportation industry are looking at ways to build resiliency into our projects to ensure our infrastructure can withstand whatever Mother Nature throws at us.

Last fall, NJDOT created its Carbon Reduction Strategy. In addition to supporting efficient roadway operations and incorporating efficient construction and maintenance, NJDOT is replacing old light fixtures with LED lights on our overhead highway signs. We are also retrofitting the lights in our buildings with LEDs and updating our HVAC systems. We have mandated that all project designs must now be submitted electronically to reduce our use of paper.

In 2023, NJDOT began using a Climate Hazard Visualization Tool that identifies risks such as potential flooding and sea level rise. This allows for mitigation strategies to be included in project design.

NJDOT is also actively involved with Governor Murphy's Interagency Council on Climate Change Resilience.

The Department is committed to continued collaboration with our partner agencies to find environmentally beneficial approaches to maintain our transportation system in a safe, efficient state of good repair.

Electric Vehicles

Under Governor Murphy's leadership, the four state transportation agencies – NJDOT, NJ TRANSIT, South Jersey Transportation Authority, and the New Jersey Turnpike Authority are on track to convert approximately 40 percent of our combined light duty fleet by 2025.

Of course, adding EVs means that we need to have the infrastructure to support them. NJDOT has installed four solar chargers that are completely off the grid, generating their own electricity. We also have a project to build EV charging station infrastructure at our main facilities in Ewing, Cherry Hill, and Mt. Arlington. The project is expected to begin later this year.

We are also making plans to build the EV charging network on Interstate highways in New Jersey to provide accessible and reliable charging stations for the public. The National Electric Vehicle Infrastructure Program, also known as NEVI, provides New Jersey with \$104 million over five years to install fast EV chargers no more than 50 miles apart, and within 1 mile of an exit. We are in the process of advertising an RFP to build, operate, and maintain these charging stations.

Gateway

Before I finish, I wanted to briefly touch on the Gateway Program. Thanks to Governor Murphy's efforts working with the President, New Jersey's contribution has been reduced from \$2.5 billion to just \$308 million over the 15-year program – or about one-tenth the original amount.

The federal government is covering 73 percent of the project's \$16 billion cost, which is unprecedented. It is the most urgent infrastructure program in America because it covers the 10 most important miles of mass transit in the country.

Work is beginning on the Hudson Tunnel Project to add rail capacity to the Northeast Corridor. If the current 114-year-old North River Tunnel were to suffer a catastrophic event, this would devastate the national economy.

NJ TRANSIT's Portal North Bridge Replacement Project is already under construction. Kevin will offer more detail about the impact of this project on our region's entire transportation system.

This Gateway Program is essential not just to the future of the Northeast, but – because of our region's role as the center of global commerce – it's no exaggeration to say it's vital for the United States to remain a leader on the world stage.

World Cup

And speaking of world stages – as the soccer fans among you will know – New Jersey is just two years away from being front and center during the largest, most widely watched sporting event in the world.

NJDOT and our partner agencies have been heavily involved in planning for the FIFA 2026 World Cup. With 8 matches – including the final match – taking place at MetLife Stadium, and 6 matches taking place in Philadelphia, our goal is to ensure visitors from across the globe experience a safe and efficient transportation network no matter which event they're attending....and we will meet that goal.

In Closing

In closing, I want to say that while leadership at NJDOT has changed, our commitment to local communities and safety on our roadways has not.

NJDOT continues to support today's critical transportation infrastructure needs while building the foundation for the next generation of transportation advancements in the State of New Jersey.

It is a privilege to come before you to speak on behalf of the Department and the good work we do. I especially want to thank Governor Murphy, and Chief Gutierrez-Scaccetti for their leadership, and the Legislature for your commitment to providing the resources we need to continue to provide a world class transportation system for the State of New Jersey.

Thank you.