

**TESTIMONY OF COMMISSIONER JACK LETTIERE  
FY 2006 Transportation Budget**

Mr. Chairman, thank you for this opportunity to testify before the Committee to discuss Governor Codey's transportation budget for Fiscal Year 2006.

It is an honor for me to appear before the Committee for the third year, and apprise you of the operation of the New Jersey Department of Transportation and NJ TRANSIT.

The Department's FY06 budget follows Governor Codey's clear directive to shrink the size of state government and reduce the burden on taxpayers. We've cut spending, increased efficiency and redirected resources to critical areas.

The Department's \$290 million operating budget is supported by \$92 million in general state revenues. This amount is unchanged despite a 32% increase in electric & natural gas costs, and a 25% increase in fuel costs for the Department in the last two years alone.

At the Department of Transportation, we started cutting at the top. We trimmed the budget of the Commissioner's Office by more than 10%, and pursuant to the Governor's directive to cut 500 positions statewide, we are reducing our workforce without resorting to layoffs.

We've instituted efficiencies, including reassigning vehicles based on an internal vehicle-use audit initiated by the Department that will result in a savings of \$167,000 in mileage reimbursement costs.

There is no better example of the Department's commitment to efficiency and cost-savings than our new HYPERBUILD program.

HYPERBUILD allows us to make repairs to roads and bridges faster and at a much lower cost.

HYPERBUILD minimizes impacts on motorists by shaving years off projects, and saves hundreds of millions of dollars in construction, design, and road user costs. To do this, we're using new creative

and cutting-edge design and construction technologies. Our goal is to become the lowest cost, highest output Department in the nation. For example:

- Route 38 Pedestrian Bridge in Cherry Hill - saving over 2 years & \$1.7 million;
- I-78 Pavement Rehabilitation in Union & Essex – saving 5 years & \$73 million;
- Route 42 & College Road – saving 4 years & \$10 million.

Mr. Chairman that is what the taxpayers demand and deserve.

Our commitment to public service is evident in the way we deploy our workforce of 3,917. We are planners, engineers and maintenance workers responsible for keeping New Jersey's transportation system in safe working order.

The Department has 640 maintenance workers. These are the men and women who:

- Plow snow, remove graffiti, repair guide-rail, clean drainage systems, and maintain 15,000 lane miles of State highways;
- Fill 250,000 potholes each year;
- Mow 33,000 acres of grass along highways;
- Respond to 20,000 emergencies & 7,000 accidents;
- Remove 30,000 cubic yards of litter from roads.

While the Department's responsibilities have increased over the years, our ability to address maintenance has become more difficult as our workforce and appropriations have decreased.

Since 1987, the Department has experienced a 40% decrease in our maintenance force. This has had an enormous and direct impact on our ability to perform necessary maintenance functions.

Of our overall workforce, only 4% are in management. The remainder are engineers who design and build our projects, and employees who keep highways in working order. Unclassified employees make up only 1.1% of the Department's workforce.

In addition to operations and maintenance, the Department makes significant capital investments in roads, bridges, and public transportation through the State's Transportation Trust Fund, which funds our annual Capital Program.

Investment in transportation yields just more than concrete and steel for our 8.5 million residents.

The FY06 Capital Program will stimulate New Jersey's economy by facilitating the movement of over \$7 billion worth of goods and services, and directly supporting over 100,000 jobs.

This program rebuilds our infrastructure, enhances safety, eases congestion, provides property tax relief, and improves quality of life for our residents.

Your support for this \$2.7 billion program is critical to maintaining the quality of life New Jersey residents expect and deserve.

The state's Transportation Trust Fund (TTF) underwrites 45% of the total FY06 Program; the Federal Government funds the rest.

The Capital Program will invest heavily in safety improvements to roads and bridges, and also at critical accident-prone intersections.

It continues to prioritize the Safety First initiative, expands the Median Cross-over crash program, designates Safe Corridors where needed, and funds the Safe Streets to Schools program.

It also prioritizes the repair of existing roads and bridges. Funding for new capacity is less than 3% of the total program, instead, the Department will focus on congestion relief projects that improve traffic flow, remove bottlenecks, and make intersections work better.

The program includes \$390 million to rebuild some of the most fragile infrastructure, bridges. Seventy-seven will be rehabilitated in 2006.

We will invest \$325 million in local aid to towns & counties. Local Aid funding provides property tax relief by funding roadwork that would otherwise be paid for through local property taxes.

The Emergency Service Patrol program will be expanded and a new program to improve the functioning of traffic signals is funded.

The Department will utilize, for the first time, a federal financing program called GARVEE to pay for one of the largest bridge projects in state history – replacing the Route 52 Causeway connecting Ocean City and Somers Point, a vital evacuation route for the county.

This four-bridge complex is in extremely poor condition. We receive regular complaints from the public regarding large pieces of concrete falling from the bridge's decks, and we frequently close lanes to make emergency repairs.

Despite spending \$5 million in emergency repairs in 1998, the Department still spends up to \$800,000 annually for emergency repairs on the bridge. Rebuilding this bridge can't wait any longer.

The obvious criticism is that we are borrowing against future federal funds. However, without the GARVEE option, the Department would not have realistic means to move forward with current resources.

Using traditional funding methods would consume all funding for the region for the next five years and would prevent the Department from constructing other important projects.

### **NJ TRANSIT**

Mr. Chairman, it has been well documented that NJ TRANSIT faces a \$60 million budget deficit. A fare increase was always viewed as a last resort, and the solution was very carefully considered.

This has been a six-month process to determine how to cover this shortfall. The process has included 13 public hearings and nearly 500 emails, letters, and verbal and written comments from the public, and I assure you, we have taken all comments seriously.

In response to public comment, NJ TRANSIT made deep cuts in spending by reducing overhead costs, freezing management salaries, and renegotiating contracts, and has saved \$12 million.

Spending cuts and internal efficiencies allowed NJ TRANSIT to reduce the overall fare increase by 20%. This has not been a pleasant process, but it has been a carefully considered, and deliberative one. No one wants to raise fares, and this proposal was a last resort in order to keep buses and trains running.

Transit improvements, taken together with investments in our roads and bridges fund a balanced attack on congestion.

NJ TRANSIT will continue its "Back to Basics" approach by investing \$426 million in core infrastructure to maintain the State's rail, bus and light rail systems at a state of good repair.

NJTRANSIT will invest \$88 million in Rail Station improvements, and allocate \$205 million to replace 13 miles of track, over 50,000 new rail ties, and improve 8 culverts.

NJ TRANSIT will proceed with installation of the Automated Train Control and Positive Train Stop rail safety program.

Rail cars will be overhauled and old outdated ones will be replaced.

Over \$15 million will be invested in park and ride projects to combat congestion and make transit an even more attractive option.

In the past year, over 6,000 new parking spaces have been created for commuters, and 3,000 more will be added in FY06.

NJ TRANSIT will also be moving forward with initiatives that are critical to New Jersey's future – including a new rail tunnel under the Hudson, known as ARC (Access to the Region's Core).

Mr. Chairman, there has been much written and broadcast about the legitimate expenditure of our Transportation Trust Fund. Let me assure you that we have complied with legislative provisions.

In fact, the State Auditor has consistently certified the handling of the TTF and has repeatedly characterized expenditures as reasonable and appropriate. In ten years of audits the Department has never been cited for inconsistencies or inappropriate actions or expenditures.

I believe the State Auditor's analysis is important to consider as you review the Department's FY06 budget and Capital Program.

### **Conclusion**

Mr. Chairman, I take my appointment seriously – I have a responsibility to provide the best possible transportation system at the lowest possible cost to the taxpayers.

That is why I understand and appreciate the Committee's goal of reducing spending and increasing the efficiency of State government. I look forward to working with the Committee to achieve this goal while also recognizing the necessity of the critical functions performed by the Department of Transportation.

I have many sleepless nights over the things that can't be done, the safety of roads and bridges, the quality of our snow removal efforts in the winter, our ability to repair potholes in the spring, to respond to emergencies, and to keep trains & buses running safely and on time.

Our agencies do not deal in abstracts; we deal with reality and people's lives everyday. Our mission, and my responsibility, is to ensure their safety, respect their time and improve their quality of life.

I believe that we are headed in the right direction and have made significant strides in meeting these goals. However, there is more to be done and, I won't be satisfied until it is done.

Thank you.