



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001
Contact:

Emma Byrne
Nancy Kearney
609/292-8956

TRENTON, N.J. 08625
Release:

Monday
Feb. 25, 1991

GOVERNOR SIGNS RECESSION-BUSTING LAW LIFTING TRUST FUND CAP; PAVE S THE WAY FOR TRANSPORTATION PROJECTS, JOBS

NEWARK -- With a promise to keep New Jersey's competitive edge into the next century, Governor Jim Florio today signed a law lifting the cap on the Transportation Trust Fund, pumping some \$1.1 billion into the economy over the next two years and creating approximately 7,000 new construction jobs.

"I'm here to keep a promise I made to help this state build its way out of this national recession," Governor Jim Florio told a crowd of workers at the Laborers Local 472 Hall. "I'm here to sign the law that raises the limit of the Transportation Trust Fund so everyone in this state gets the benefit of projects that help us grow and create jobs. We're here because we decided to take a positive step to make ours a future where New Jersey works."

The Department of Transportation, which is required to list the specific projects that would be financed, has identified 56 projects. The projects fall in six categories: State, Bridges, State Aid, Capital Program Implementation, Rail and Bus. Locally, projects will include \$1.6 million for traffic safety management improvements and \$500,000 for interim repairs the Route 78/Conrail overpass. A complete list is attached.

Earlier today, the Governor, joined by Transportation Commissioner Tom Downs, signed his first name to the bill at a ceremony at the Carpenters Local Union Hall in Gloucester City, completing his signature in Newark.

The bill will increase the authorized annual Transportation Trust Fund Authority Capital Program for fiscal years 1991 and 1992 from \$365 million to \$565 million bringing the total Trust Fund capital allocation to more than \$1.1 billion. The Governor had called on the Legislature to lift the cap last fall and again in his January State of the State address.

"When it comes down to doing business both here and around the world, we in new Jersey have an enormous advantage. Our ports, our airports, our bridges and highways make us a critical gateway to commerce," Governor Florio said. "We need to invest in maintaining that edge. By lifting the Cap, we can raise the money we need now to preserve our transportation network and create jobs in the process."

Spending from the Trust Fund, supported by the gas tax, was previously capped at \$365 million annually, with unspent funds carried over in reserve. The combination of available dollars in the fund now, plus current bonding capacity, will allow the state to raise expenditures immediately with no need for additional revenue. Lifting the cap now is good timing because the current economic climate is such that transportation project bids are coming in up to 25 percent below last year's bids.

"Why wait to use that money? We need it now. Anyone driving the roads of this state knows there is plenty of work to do. The economy tells us that this is the time to take advantage of our Triple A credit rating," Governor Florio said. "For every \$1 we spend on a construction project, we generate about \$4 in economic activity throughout our entire economy. All those things tell me it's time to put our money to work for New Jersey's workers."

The Trust Fund was created by the Legislature in 1984 as the sole source of state funding for capital construction for the state Department of Transportation and New Jersey Transit. When the Trust Fund was renewed in 1987, the Legislature placed a \$365 million cap on spending. The artificial cap, combined with the required federal match for some projects, increased the backlog of projects solely funded by the state.

#