

**Phillip D. Murphy, Governor**  
**Shella Y. Oliver, Lieutenant Governor**  
**Diane Gutierrez-Scaccetti, Commissioner**  
**Kevin S. Corbett, Executive Director**

**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

March 18, 2019

Dear Governor Murphy:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the rescheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc., Board of Directors held on Wednesday, March 13, 2019.

Sincerely,

Original Signed By

Joyce J. Zuczek  
Board Secretary

Enclosures

Honorable Philip D. Murphy  
Governor, State of New Jersey  
State House  
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the rescheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 13, 2019.

**Board Members Present**

Diane Gutierrez-Scaccetti, Chair  
Edmund Caulfield, Governor's Representative  
Dini Ajmani, Treasurer's Representative  
Flora M. Castillo, Board Member

**Board Members Absent**

Raymond W. Greaves, Board Member (Non-Voting)

**Staff Present**

Kevin S. Corbett, Executive Director  
Joyce J. Zuczek, Board Secretary  
Jonathan B. Peitz, Deputy Attorney General  
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs  
Christine C. Baker, Chief Compliance Officer  
William Viqueira, Chief Financial Officer & Treasurer  
John F. O'Hern, Auditor General

Chair Gutierrez-Scaccetti convened the Open Session at 6:07 p.m. in accordance with the Open Public Meetings Act. Rich Hopkins, Office of System Safety, provided a Public Safety Announcement. The Pledge of Allegiance to the Flag was conducted and Board Secretary Zuczek conducted a Roll Call, noting Board Member Greaves was absent.

Board Secretary Zuczek announced that adequate notice of the rescheduled meetings of the Board of Directors of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. was provided in accordance with the Open Public Meetings Act and Public Law 2018, Chapter 162, and the meetings were occurring concurrently. Notices were filed on March 7, 2019 with the Secretary of State. These notices were sent to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, published on the corporation's website, and sent to each individual, agency and organization that requested such notice. The meetings were viewable on the corporation's website in real time and were video recorded, archived, and made available to the public. Minutes will also be archived and published on the corporation's website.

### **Executive Session Authorization**

At approximately 6:11 p.m., Chair Gutierrez-Scaccetti requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the County Yard Improvement Project: Acquisition of the Easements from Amtrak and a Remediation Agreement for the Millstone Industrial Track and Certain Properties Adjacent to County Yard; the County Yard Improvement Project: Acquisition of 298 Jersey Avenue LLC and 120 Jersey Avenue LLC, New Brunswick, New Jersey Private Property; the NJ TRANSIT – Portal North Bridge Project: Real Estate Acquisition, and the Personal Injury Claim of Solbrina Fajardo. Board Member Flora M. Castillo moved the resolution, Board Member Edmund Caulfield seconded the motion, and it was unanimously adopted.

### **Return to Open Session**

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members returned to open session at approximately 7:10 p.m.

### **Approval of Minutes**

Chair Gutierrez-Scaccetti asked for a motion to approve the minutes of the February 13, 2019 Board meetings. A motion was made by Board Member Edmund Caulfield, seconded by Board Member Flora M. Castillo, and it was unanimously adopted.

### **Executive Director's Monthly Report**

Executive Director Corbett noted two weeks ago at a customer forum in Cherry Hill, he and Chair Gutierrez-Scaccetti, announced that the Atlantic City Rail Line (ACRL) and the Princeton Dinky (Dinky) will both resume full service on May 24, 2019. He thanked customers for their patience the last few months. He knows it has not been easy without the critical rail services that both the Atlantic City Rail Line and the Princeton Dinky provide. The decision to temporarily suspend service on these lines was not made lightly.

They know that one of the primary sources of frustration that their customers had was the uncertainty of when these lines would begin operating again. The Federal Railroad Administration recently gave their formal approval of their alternative schedule for Positive Train Control, officially signing off on their plan to reach full implementation before the end of 2020. When they received that approval, that raised their level of confidence to a point that they felt comfortable in providing a date-certain. One of the things he did not want to do was to restore service, only to have to pull back on it, or find that they could not operate it reliably. May 24, 2019 restores service in time for the Memorial Day weekend and the summer tourism season.

From their time listening to Atlantic City Rail Line customers, they heard requests to have some of the alternate bus service stop at the rail terminal instead of just the bus terminal.

Based on that feedback from customers, they have adjusted the 551 and 340 bus routes to also provide stops at the Atlantic City Rail Terminal. That enhancement, and all of the alternate transportation options, will remain in effect for Atlantic City and Princeton customers through May 24, 2019. Executive Director Corbett thanked all of their customers for their patience and understanding.

In addition to Atlantic City and Cherry Hill, Executive Director Corbett, Board Chair Gutierrez-Scaccetti, and senior NJ TRANSIT management staff, have been listening to customers throughout the State. Customer forums have also been held in Princeton, Westfield, Somerville, and Morris Township, and they have found them incredibly valuable. It is so important to hear firsthand from customers about their experiences with NJ TRANSIT. They use that feedback to make improvements to the customer experience whenever possible, as demonstrated by the revisions made to the 551 and 340 bus routes now serving the Atlantic City Rail Terminal.

Last Thursday, they held two public hearings on the proposed temporary suspension of Hudson Bergen Light Rail service along the West Side Avenue Branch. They will be taking these comments into consideration as they continue to work with the Jersey City Municipal Utilities Authority (JCMUA) to minimize the disruption to the greatest extent possible. The Jersey City Municipal Utilities Authority work will require NJ TRANSIT to decommission a section of track between Liberty State Park and West Side Avenue on or about June 1, 2019 to allow for needed repairs to an underground sewer main. The temporary suspension of service at West Side Ave, Martin Luther King Drive, and Garfield Avenue stations is expected to last approximately nine months. During that time, substitute bus service will be provided, and they will be communicating further details with customers once plans are finalized.

Customers at Hoboken Terminal will also begin to see some construction work as they make significant repairs to the canopy and roof above Track 5. This month, early action work will take place to set the stage for the larger repairs beginning in April. The project is expected to take about a year, and during that time a section of the pedestrian walkway between Tracks 3 and 7 will be temporarily restricted. They will have plenty of signs posted to direct customers to the alternate pedestrian paths through the terminal. At this time, they do not expect these repairs to impact rail or bus service at Hoboken Terminal.

On February 21, 2019, they cut the ribbon on NJ TRANSIT's new and modernized Bus Control Center in Camden. Bus Control South, as they call it, is a state-of-the-art facility. Its predecessor was filled with antiquated 30-year-old radios and equipment. That has all been replaced with industry leading technology. The Control Center now has a Computer-Aided Dispatch system integrated with a TETRA digital radio communications system. That integration is the first of its kind in the nation. Dispatchers will have a range of information at their fingertips including the exact location of every bus, its speed, and the number of customers onboard. They have also added additional dispatcher consoles and a video wall for real time monitoring of traffic, weather, and internal video feeds. All of this is part of NJ TRANSIT's continued effort to improve communications by providing a faster and more efficient flow of information to customers.

Last month marked one year since Executive Director Corbett took the reins as Executive Director of NJ TRANSIT, and it has been quite a year. He has been proud of what they accomplished over the last year, after years of under-investment and inattention. Finalizing their agreement with Amtrak was a recent example of how they are turning the tide at NJ TRANSIT. The agreement will yield benefits to their customers at Penn Station New York, and allow critical projects like County Yard and the Elizabeth Station reconstruction projects to advance.

Not only was this agreement with Amtrak left to wither, but so too was the Positive Train Control program. They got Positive Train Control back moving in the right direction at full speed, meeting the 2018 year-end federal milestone. Last month, they completed the early construction work on the Portal North Bridge project, on time and on budget. Now they eagerly await the US Department of Transportation's approval of their funding application to maintain forward progress on this vital project.

NJ TRANSIT's internal business operations in key areas of the company have improved dramatically from the previous year. They have an approach in Human Resources to aggressively bring in new talent and to retain talent. This approach has yielded an impressive 1,022 new hires and 277 promotions in his first year. They hired more than 100 new locomotive engineer trainees and now have a record setting six training courses on-going concurrently. In the last year, nearly 400 new bus operators are on the streets serving customers.

Overall in 2018, NJ TRANSIT awarded over \$308 million in contracts compared to \$85 million in 2017. In Finance, since June 2018, they have achieved a 95 percent reduction in invoices more than 120-days-past-due from \$15.2 million to \$750,000, and an 85 percent reduction from \$28.5 million to \$4.5 million in past due invoices greater-than-45-days to vendors. That makes NJ TRANSIT a company vendors want to do business with so it goes towards restoring their reputation.

They can look across the agency and see positive things happening, including improved communications. They are delivering real results for our customers and, with the Governor's continued support, they will continue pushing forward in the upcoming year.

Executive Director Corbett noted they had a couple new hires that reflect the kind of quality of management they want to have. He noted Lookman Fazal joined as Chief Information Officer, and has a long experience in IT and in turning around organizations. Also, Richard Schaefer recently joined NJ TRANSIT from HNTB. He is senior structural engineer with a long distinguished history, particularly in New Jersey on bridge structures. He has joined NJ TRANSIT as their Chief Engineer. He noted these were the caliber of hires, on top of recent hires including Ray Kenny with 40 years of experience, coming from Long Island Railroad and other projects, to be head of rail operations.

## Public Comments

There were 16 speakers. Board Secretary Zuczek announced in order to give everyone an opportunity to be heard, public comments would be limited to five minutes, and if there were several people speaking on the same topic, two speakers would have five minutes, and all others would have two minutes.

**Honorable Senator Loretta Weinberg** wished Executive Director Corbett happy birthday and congratulated him for surviving his first year. She heard him talk about NJ TRANSIT's patient customers but she hears from those who are not so patient. She knows where they started from, and noted NJ TRANSIT has been an agency that has been under budgeted and not resourced or staffed properly, with a lot of problems. Senator Weinberg said they have no place to go but up, but they need to move up a little more quickly.

Following the fatal Hoboken rail crash, she served on the joint Assembly and Senate Committee that investigated the various problems that confronted NJ TRANSIT after years of neglect under the prior administration. Those ranged from low ratings for safety, on-time performance, shortage of engineers, mechanics, and other skilled workers, inexcusable patronage, and a long history of racial and sexual discrimination. When she thinks about how many dollars were paid out in settlements for racial and sexual discrimination, it is heartbreaking. With a new administration, she is hopeful that progress is being made on a lot of issues, particularly on the Positive Train Control (PTC); although at a high cost for many of their commuters. She and her colleagues from the Legislature have serious concerns and questions about where NJ TRANSIT is going and whether it has the funding and long-term game plan it needs to return to preeminence as one of the nation's top performing transit agencies.

Both Senate President Sweeney and she question whether a \$25 million increase in the operation of a \$2.5 billion dollar agency, which equals about a one percent increase, is adequate to even continue service at current levels, much less improve service for the hundreds and thousands of daily bus and rail commuters.

Senator Weinberg asked if it was true that NJ TRANSIT's union contracts alone were going to increase next year by \$50 million. She noted other costs are also going up, including contracts for light rail and with private bus carriers. Additionally, NJ TRANSIT is supposed to provide rail service from Secaucus to the new American Dream Complex and restore service to the Atlantic City Rail Line. She said presumably they have been hurt by a loss in fare revenue due to all the cancellations and the fare discounts provided during the Positive Train Control.

Senator Weinberg asked what NJ TRANSIT really needs to provide the quality service commuters have a right to expect. The Legislature is willing to work with Governor Murphy, his administration, and with NJ TRANSIT to get closer to what they think NJ TRANSIT needs for really adequate funding to get back on track.

Their review of NJ TRANSIT's March 6, 2019 financial report shows \$3.3 million scheduled to be allocated to environmental work for the final environmental impact approvals for the Hudson-Bergen Light Rail; a project next to the bus terminal which is a project close to her heart. She questioned whether money was earmarked in the capital plan in future years to actually build it. It has always been known as the Hudson-Bergen Light Rail but it has never come to Bergen County.

With \$460 million in capital transferred to operations for maintenance, she questioned whether there was money to keep the buses and trains running and build the Hudson-Bergen Light Rail.

Senator Weinberg noted they passed a New Jersey Reform Bill in December, the Governor signed it, and she was looking forward to seeing a new and broad-based enlarged Board of Directors for NJ TRANSIT. She asked what was being done about filling the post of the Customer Advocate. This post was a very important part of their legislation. She said this was one of the central recommendations in the Governor's audit and was authorized in the new law. Senator Weinberg was not sure if NJ TRANSIT had selected anyone or whether there was a plan to do so.

An area of concern for bus commuters that Senator Weinberg has heard regularly relates to bus bunching. She explained a full bus is shortly followed by one to two empty buses which increases wait time and leads to overcrowding and makes their system less efficient. Senator Weinberg said Chief Information Officer Michael Slack spoke in 2017 publicly about improving fare collection technology in 2019. In particular, he brought up tap and go cards which the PATH and MTA are already familiar with. Instead of fumbling around with paper tickets, pre-paid refillable cards would allow riders to enter the bus and pay their fare with no delay. She would like an update on where NJ TRANSIT is with this technology. She noted this could lead to shorter wait times at stops, reduce paper waste, and create a higher fare collection rate. Senator Weinberg said efficiencies like this would also reduce bus bunching. She wants to know if NJ TRANSIT is working on any new technological improvements to either fare collections or bus scheduling and if tap and go cards are something they plan to implement in the coming fiscal year.

Senator Weinberg said they can see she has a lot of questions and they can expect to see her every so often at their Board meetings. She said together with Governor Murphy and his administration, they can start moving NJ TRANSIT forward back to the premier agency it once was. She said they owe this to their commuters to see improvements to the quality of their life.

Senator Weinberg said she knows she does not have to tell them transportation is the center of the economic engine in the State of New Jersey, but she noted that it has such a profound effect on the quality of life of the people who live there. She said people have to stand on the corners and wait for the buses and trains to get work and make a living and get home to their families. Lastly, she thanked them for all the work they do and for the evening Board meetings. She looks forward to working collaboratively together in the future.

Chair Gutierrez-Scaccetti thanked Senator Weinberg for her remarks and noted she has the commitment of the Board and the NJ TRANSIT staff to answer the questions she presented that night.

**Bruce Bergen**, Chairman of the Raritan Valley Rail Coalition, thanked NJ TRANSIT for their visit to Westfield and Somerville on their line. He attended the Westfield meeting and knows their riders did not hear what they wanted to hear but none the less it was important that NJ TRANSIT came out and were listening to them. He invited the Board, the public, and NJ TRANSIT employees to a public meeting the Rail Coalition was having at the Community Center on March 26, 2019 at 7:00 p.m. They will be featuring Jerry Zaro, Chairman of the Gateway Program Development Corporation, and hoping he will be able to update their riders and the general public about the current status about that project.

Mr. Bergen thanked NJ TRANSIT for including the Gateway Project in as one of the five points in their business plan in the proposed budget. As important as this project is to the long-term, what their riders really care about is the reinstatement and the expansion of the one-seat ride. He understands from a recent press release that the hold up on the Raritan Valley one-seat ride has to do with Amtrak and some work that they are planning as well as a lack of engineers. Mr. Bergen understands that these are things that are not necessarily in their control and thanked them for being proactive and getting the engineers in the pipeline.

The problem Mr. Bergen saw in the newspapers was that there was talk of these engineering classes ending in October and November which makes him fear they are looking at a reinstatement of the one-seat ride toward the end of 2019, which will put it at almost a year later than originally anticipated. This would be a great disappointment to their riders. They need NJ TRANSIT to come out and keep riders abreast of what is going on and give them updates periodically as to a target date when the one-seat ride will be returning. He said NJ TRANSIT must keep communicating with the public because they have a right to know what is going on and how quickly things are going to be done. Mr. Bergen suggested as a temporary fix to the one-seat ride, to focus on having the Raritan Valley Line trains come in on the same platforms that the New York trains are on so their riders do not have to change platforms to get to the New York trains.

**Murray Bodin** thanked Executive Director Corbett for moving NJ TRANSIT into the new electronic technology age. Mr. Bodin thinks he is doing a great job. He asked him to look into only using traffic lights at railroad crossing rather than using flashing red lights because they are confusing. He congratulated Executive Director Corbett on his first year at NJ TRANSIT and looks forward to his second year.

**Sally Gellert** spoke in a personal capacity although she serves as Communications Director for the Lackawanna Coalition. She was pleased to attend the meeting in Morris Township and said it was good to see NJ TRANSIT having a two-way discussion. She expressed concern about waiting through Executive Session before the public portion of the meeting, especially when train and bus service to certain destinations negate an early curfew. Last month, she went back to her parent's house in Paramus because she could not find a

connection for the line she needed. She also did some extensive walking and crossed over an overpass which was pretty scary. If NJ TRANSIT's telephone service had been available when she left the meeting at 8:30 p.m. she would have known there was a later 168 bus.

Ms. Gellert was glad to hear the continuance of senior fares and said it was certainly good news because many rely on such fares, particularly when they live on fixed budgets after retirement. In addition, she would like NJ TRANSIT to consider restoring the 10 percent discount that disappeared in 2010 during off-peak hours. She would also like people to consider taking off-peak service to cut-down on congestion which would help climate control and promote more regular riders who can test out the trains when they are less congested. She would also like to see more frequent service on the Pascack Valley Line.

Ms. Gellert asked NJ TRANSIT to bring back the rail advocate roundtable discussions on a quarterly or semi-annual basis because they need input from people who are transit riders since they have a Board made up of non-transit riders. She said having these types of discussions can advance transit and maybe they can come to mutual understanding.

**Chris Neidenberg** said he was currently looking for work at NJ TRANSIT in the capacity of Customer Service and he was there to express his concern about being told that he would have to go to Whippany, New Jersey to interview for a possible Access Link Call Center Agent position that is located in Newark. He said there were limited buses and rail services to Whippany and cannot understand why they would have a contractual agreement with a personnel agency in Whippany for a position that is open in downtown Newark. He is not in the position to purchase a car right now and thinks NJ TRANSIT needs to provide a more convenient option for Essex and Passaic County residents to get to interviews. Mr. Neidenberg said the woman at the personnel agency told him there were no other options other than going to Whippany and that most people who go to her office use Uber to come from the Morristown Station to Whippany. He suggested if they are going to continue advertising for positions in Newark, to be considerate of those that only have access to mass transportation and do business with contractors in the Newark area.

**David Peter Alan**, Chair of the Lackawanna Coalition, announced that next month, the Lackawanna Coalition will be celebrating 40 years of service to the rail riders in their region. Over the years, they have gone beyond their original purview of the Morris & Essex, Gladstone, and Montclair lines, to include the entire Montclair-Boonton Line and now all connecting transit. That means their purview has expanded to include all of North and Central Jersey. At their regular meeting on Monday, April 22, 2019, they will celebrate their anniversary, and hope they can come to Millburn Town Hall and celebrate with them.

Mr. Alan noted there were many items on the agenda, not the least of which was the operating budget for the next fiscal year. He complained that executive session again takes place before public comments; a practice to which they strongly objected when it was done in the past. Accordingly, he believes there is not good reason to comment on agenda items, unless the sole purpose is to place an objection on the record, because there is nothing they can do about any of them anyway. Instead of commenting on decisions that have already been made, he would report on his recent activities that pertain to NJ TRANSIT.

Last Monday, Mr. Alan was invited to make a statement before the Assembly Transportation Committee on mobility for seniors and persons with disabilities. Although the subject matter is normally associated with the Senior Citizens and Disabled Residents Transportation Advisory Committee (SCDRTAC), of which he is the longest serving member, he spoke for the Lackawanna Coalition instead. He said the Coalition is aware of these constituencies and of available community transportation, and is in accord on the need to properly fund and execute transportation strategies that will serve these vulnerable constituencies effectively.

Later on Monday evening, Mr. Alan attended a hearing in Morris Township about rail service. It was held in Morris Township Hall, about 1.5 miles from the Convent Station. He said it was a difficult walk and there were no buses, so it was not accessible by transit. He believes holding a transit-oriented meeting with no transit access is unconscionable and unacceptable, and they must have official assurance that nothing like it will ever happen again. Mr. Alan said Commissioner Gutierrez-Scaccetti and Executive Director Corbett interacted with attendees and were the most forthright that he has ever seen either of them. He commended this attitude and action, because riders want to know what is happening on their railroad and other transit. Mr. Alan thinks this is better than the silence they have usually encountered up to now.

Mr. Alan wants to know when they will get their trains back. As they feared, he said it was the shortage of engineers that is now causing the problem. They have been waiting for senior management to acknowledge this fact and thanked them for doing so.

**Tim Sevenser**, from the Transit Village of Mount Tabor, was representing the New Jersey Association of Rail passengers last month but was speaking now to promote Rails with Trails and to say that the New Jersey Sierra Club Executive Committee unanimously endorsed Rails with Trails. He said they cannot just pave over their rails and make them bike paths. The Executive Director of the Sierra Club and he surveyed the line from the Northern Railroad that goes from Englewood to North Vale to the New York State Line, all seven miles. They found that there was at least 40 feet for the entire pathway and also surveyed the tractor line that goes from Morristown to Convent Station, which is 13 feet wide. He said there were a total of two tracks plus a bike and walking trail which gets a lot of service because there are three universities there with a lot of non-driving students, and it is plenty adequate to supply the needs for bikes and walkways. The Northern Valley Greenway proposed 60 feet for these pathways.

Mr. Sevenser believes they have to make sure they preserve these rail rights-of-way so that the rail can continue from Englewood up to Demarest, Closter, North Vale and possibly all the way to Piermont. All of this was on a chart he gave out last month on vision for 2020, they are finally making progress. Another thing he discovered in getting ready for the survey and talking to Sierra Club was the abomination under former Governor Christie for eight years, when not one project that was proposed was finished. Since they have just let these rail rights-of-way do nothing, he believes they must rethink this and utilize them. Mr. Sevenser said Newark New Jersey is the number two state with non-car drivers and New Jersey needs to become the Green Transit leader in the United States because it is doable.

**Errol Kerr** said his mission is to speak about the problem of injustice to Mr. Graddy. They have been dealing with this situation for the last two-years and have been coming there every month to address this issue. He said this is clearly a situation that NJ TRANSIT has created, and while he does not blame this Board, it has now been left up to them to do what is right. Mr. Kerr said Mr. Graddy did everything he was supposed to, yet he was still railroaded out of his business and it has been 15 years and he still cannot see the light at the end of the tunnel. Mr. Kerr said they were not begging NJ TRANSIT for anything, and this was something that Mr. Graddy was entitled to. He said they were not going to get weary and will keep coming there. He was glad to hear they were having discussions but was hoping they will come back with some sense of justice for Mr. Graddy.

**Donna Nelson Ivy** congratulated Executive Director Corbett on his one-year anniversary in a Senior Executive position and said this was not an easy task. She spoke as an advocate of Mr. Graddy so that they can make him whole again. She said Mr. Graddy has spent a lot of money and has lost a lot of money while being forced out of his restaurant in Atlantic City. She understands that there is communication going on and this is a good thing and it is her prayer that they all can come together and resolve this issue and make Mr. Graddy whole again. She said Mr. Graddy has worked hard and shed a lot of sweat, blood and tears, and is deserving of being reimbursed. The one elected official that she has adored all her life, Honorable Senator Loretta Weinberg, sits in the audience and she was glad the Senator was listening to all of this because in all fairness the more folks they have understanding what is going on in Mr. Graddy's life, the better they all will be.

**Princess Reaves** spoke on behalf of their icon Mr. Graddy and said he was an icon of a complete township who will open his doors to just about anyone. She has given the complete history of the people that Mr. Graddy has helped and given his time to. She knows as a new Board it must be very challenging to come up with a righteous decision for Mr. Graddy and trying to make a wrong a right. They know there are communications going on with Mr. Graddy and asked that they make a wrong a right and grant justice to Mr. Graddy.

**Winifred Harrison** spoke on behalf of Mr. Graddy and hopes a resolution will be given according to the \$600 million dollars NJ TRANSIT received. She hopes Mr. Graddy will receive his just reward. She said he has been diligently coming to these meetings and providing not only for the City of Paterson but for all those in his family and he has lost a lot. She hopes they will do the right thing. She said the information is there and this can be resolved expeditiously, according to the law. They know this may not be the Board's fault and that it has been passed on to them but believes it can be resolved.

**Jamie Bland** said she was overwhelmed at the number of times they have been coming there. She thinks by now they should have a better understanding of what they need to do. She cannot get over the fact that Mr. Graddy paid his bills, did everything he needed to do, won the Request for Proposal, was railroaded out of his business, and then had to pay rent for two consecutive years for a restaurant he was not occupying. She said Mr. Graddy and his family have been humiliated. She wants them to go back to their files and take their time going page by page because Mr. Graddy gave enough information to make a decision. She

believes they should do this not only for the money he has put out, but for Mr. Graddy's humility and his trying to save his name and credit. She said he has stood up to keep his pride and dignity and now it is their turn to bring justice for Mr. Graddy.

**Mae Bradley** said there is an adage that what you do speaks louder than what you say. She is appalled at what has happened to Mr. Graddy and said he is an iconic New Jerseyan, a stellar community person, and a military veteran. She suggested when they go into their discussions about how to treat Mr. Graddy they should be fair and just, and not say it is not in their budget. She said Mr. Graddy has been coming there for a long time and she cannot understand why after all this time they have not reached a settlement with Mr. Graddy. She said it was reported in December 2017 that NJ TRANSIT was leasing an unoccupied building for \$4.4 million dollars but couldn't reimburse Mr. Graddy.

**Kay Banks** spoke on behalf of Mr. Graddy, in support of a friend, brother, confidant, mentor and community valor. She said Mr. Graddy is one who stands with integrity and wherever he goes there is nothing bad that can be said about him. She said they came out as supporters and it was their civic duty when one is hurt they all hurt together and when they feel one is taken advantage of, they stand strong. She wants them to do what is right and just for Mr. Graddy.

**Janet McDaniel** said they have been coming there for a very long time and since coming there many of their members have experienced very serious illnesses, losses in their lives and lost jobs. Some have chosen to be there with Mr. Graddy instead of going to their Mayor's birthday party. They continue to come because they feel justice has not been served. Last month she spoke about the fierce urgency of now and quoted Dr. Martin Luther King Jr. and how important it is to act. She said there was movie called "A Raisin in The Sun" and the actress asked the question what happens to a dream deferred, does it dry up and shrivel like a raisin in the sun. She said they need to ask themselves how long is too long, and asked them to look in the mirror and do the right thing. She said injustice anywhere is a threat to justice everywhere.

**Russell Graddy** was pleased to be in the room with the Honorable Senator Weinberg. He congratulated Executive Director Corbett on his one-year anniversary and said it looks like he has NJ TRANSIT on the right course. Mr. Graddy said he has him beat because he has been coming out there for two-years, and believes they are coming to an end with this. He said his supporters are African Americans who have families and children and some have spent their retirement money and mortgaged their homes to send their children to school. Hopefully the children will have an equal opportunity to get a job and get a contract or lease with companies like NJ TRANSIT. These children are concerned about justice for Mr. Graddy.

Mr. Graddy said they have been coming there for two-years and asked when they go back to their discussions to look back at the numbers and what happened to him and how gruesome it was. He said to look at the taxes spent by this public agency to bring down a successful African American businessman. He said when his supporters say justice for Mr. Graddy. they are not asking for anything except for what he earned. He said he

recognizes that the company did not want him in the space but he had a right to be there, paid his dues to this country, and paid his taxes and rent for two-years for a space he was not occupying. He asked them to do what is right and said they have the numbers from his accountant.

### **Advisory Committee Report**

There was no Advisory Committee Report.

### **Board Operations and Customer Service Committee Report**

Board Member Castillo presented the report for the Operations and Customer Service Committee. The Operations and Customer Service Committee received an update on Operations and Customer Service trends, analysis, and actions for rail, bus, and light rail.

The Committee also was shown a video located on the new NJ TRANSIT careers web page, which is a new way to promote careers at NJ TRANSIT. The Committee received an update on Social Media activities and on Access Link Operations and Customer Service trends, analysis, and actions.

Additionally, the Committee received an update on the Cost of Service for bus, rail, light rail, and Access Link, as well as an update on Fall 2018 Customer Satisfaction Survey.

### **Board Administration Committee Report**

Board Member Castillo presented the report for the Administration Committee. The Administration Committee received a Financial Update. The Financial Update included an update on fiscal year and year-over-year operating results, budget-to-actual comparisons of revenue and expenses, and major operating results. In addition, the Committee received an update on headcount, vacancies, and hiring. The update included a review of major balance sheet items such as changes in working capital, outstanding debt, and accounts payables. The Financial Update also included an update on ridership levels and revenue, as well as Real Estate and Economic Development Highlights.

The Committee also received updates regarding Human Resources and Equal Employment Opportunity and Affirmative Action.

### **Capital Planning, Policy, and Privatization Committee Report**

The Capital Planning, Policy and Privatization Committee discussed the board items for the: 2018 Capital Planning and Programs Task Order Consultant Contract Program; NJ TRANSIT Resilience Program: Long Slip Fill and Rail Enhancement; NJ TRANSIT Resilience Program: Amendment to 2012 Task Order Consultant Contracts Program; Adoption of the Ethics Codes; Two-Year Budget; Annual Independent Audit Services; County Yard Improvement Project: Acquisition of Easements, Remediation Agreement,

and Private Property Acquisitions; and Portal North Bridge Project: Real Estate Acquisition.

**Action Items**

Chair Gutierrez-Scaccetti noted Board Member Castillo was recused from voting on the next item and would be leaving the room until the following item.

**1903-05: CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACT PROGRAM: COMMUNITY TRANSPORTATION; CONSTRUCTION MANAGEMENT SERVICES; VERTICAL TRANSPORTATION; ACCESS LINK**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-05.

Eric Daleo recommended approval of Action Item #1903-05: 2018 Capital Planning and Programs Task Order Consultant Contracts Program: Construction Management; Community Transportation; Vertical Transportation; Access Link.

Approval was requested to enter into NJ TRANSIT Contract Nos. 17-045 through 17-047 with the firms shown in Exhibit A for Construction Management, Community Transportation, Vertical Transportation and Access Link.

The total value of the 2018 Task Order Consultant Contracts Program, of which these contracts comprise Package Three, will be \$70,000,000. Each contract will extend for five years; the maximum task and contract limits are shown in Exhibit B.

Task Order Consultant Contracts will be used on an as-needed basis to supplement in-house staff and are needed to support the capital program, address critical issues and ensure compliance.

Mr. Daleo asked for approval of Item #1903-05.

Board Member Edmund Caulfield made a motion to approve Action Item #1903-05, Board Member Dini Ajmani seconded it, and the item was adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Recused	Absent (Non-Voting Member)

Board Member Castillo returned to the room.

**1903-06: NJ TRANSIT RESILIENCE PROGRAM: LONG SLIP FILL AND RAIL ENHANCEMENT – CONSTRUCTION MANAGEMENT SERVICES**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-06.

Eric Daleo recommended approval of Action Item #1903-06: NJ TRANSIT Resilience Program: Long Slip Fill and Rail Enhancement – Construction Management Services.

Approval was requested to enter into NJ TRANSIT Contract No. 18-003 with STV, Inc. for the Construction Management Services of the Long Slip Fill and Rail Enhancement Project at a cost not to exceed \$16,443,810.16, plus five percent for contingencies, subject to the availability of funds.

The Long Slip Fill and Rail Enhancement Project involves the filling of the Long Slip and the construction of new tracks on the filled area to serve ADA-accessible, high-level boarding platforms, as well as the construction of a passenger/rail personnel facility.

Approval of this item will support operations of commuter rail services to/from Hoboken Yard in advance of and immediately after a storm or other event, will be at an elevation above the FEMA base flood elevation as required, will allow for supplemental service to and from Hoboken Terminal during service disruptions elsewhere on the system, and will enable more efficient train operations under normal operating conditions.

In addition, the Long Slip Fill and Rail Enhancement Project will provide additional surge protection of Hoboken Yard equipment and infrastructure and reduce the potential of lesser storm surges that occur on a more frequent basis.

Mr. Daleo asked for approval of Item #1903-06.

Board Member Edmund Caulfield made a motion to approve Action Item #1903-06, Board Member Dini Ajmani seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-07: NJ TRANSIT RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACT PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES AND ADDITIONAL ENGINEERING SERVICES**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-07.

Eric Daleo recommended approval of Action Item #1903-07: NJ TRANSIT Resilience Program: Amendment to 2012 Task Order Consultant Contract Program for Construction Assistance Services and Additional Engineering Services.

Approval was requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with STV, Inc. (NJ TRANSIT Contract No. 13-006C) by \$3,970,000, for a maximum authorization amount of \$12,735,776 for this contract and a maximum authorization amount of \$121,371,206 for the 2012 Task Order Consultant Contracts Program, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

Approval of this item will allow STV, Inc. to continue progressing NJ TRANSIT’s Resilience Program by providing technical expertise for the restoration and repair work including construction assistance services and additional engineering services.

STV, Inc. will continue work on various components of the Hoboken Terminal restoration, including the Hoboken Boiler and Terminal Repairs Project, the Hoboken Wayside Power Project, the Hoboken Signal Power Repair Project and the Hoboken Facilities Power Distribution Systems Repairs Project, as well as coordination with other Hoboken area projects.

Mr. Daleo asked for approval of Item #1903-07.

Board Member Flora M. Castillo made a motion to approve Action Item #1903-07, Board Member Dini Ajmani seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-08: ADOPTION OF UNIFORM ETHICS CODE AND SUPPLEMENTAL CODE OF ETHICS**

Executive Director Corbett introduced Christine Baker, Chief Compliance Officer, to present Action Item #1903-08.

Christine Baker recommended approval of Action Item #1903-08: Adoption of Uniform Ethics Code and Supplemental Code of Ethics.

Approval was requested to adopt the Uniform Ethics Code as Corporate-Wide Policy 2.03 (Exhibit A) and Corporate-Wide Policy 2.03A Supplemental Code of Ethics (Exhibit B), to comply with other requirements imposed by Public Law 2018, Chapter 162, including providing guidelines for when it is appropriate for the Chief Ethics Officer to forward the results and findings of a preliminary investigation to the State Ethics Commission, Office of the Attorney General, county prosecutor’s office, or any other appropriate agency for further investigation or action.

Approval of this item provides that both the Uniform Ethics Code and the Supplemental Code of Ethics shall apply to all NJ TRANSIT board members, officers, and employees, agreement, and non-agreement.

Ms. Baker asked for approval of Item #1903-08.

Board Member Edmund Caulfield made a motion to approve Action Item #1903-08, Board Member Flora M. Castillo seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-09: BUDGET PROPOSAL TRANSMITTAL**

Executive Director Corbett introduced William Viqueira, Chief Financial Officer & Treasurer, to present Action Item #1903-09.

William Viqueira recommended approval of Action Item #1903-09: Budget Proposal Transmittal.

Approval was requested to transmit Exhibit B to the Commissioner of the New Jersey Department of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities

Committee and the Senate Transportation Committee as required pursuant to NJ Transit's reform legislation signed by the Governor late last year.

The submission includes a two-year budget that covers the most recent completed fiscal year, the current fiscal year outlook, Fiscal Year 2020 budget proposal and a Fiscal Year 2021 forecast. The submission also includes information regarding the Corporation's history, organizational structure, staffing and other performance data. They expect to seek authorization for the Fiscal Year 2020 budget in the ordinary course of business at the July Board meeting subsequent to the State finalizing its budget.

He provided highlights. For Fiscal Year 2019, with seven months of actual data and five months forecasted, they expect expenses to roughly equal revenues at approximately \$2.3 billion despite farebox revenue being below budget, due to the fare discount for Rail and some revenue shortfalls in Bus. For Fiscal Year 2020, the Governor's budget proposal includes an additional \$100 million in General Fund support for NJ TRANSIT after an increase of \$166.6 million last year, for a total State Operating Subsidy of \$407.5 million. Of this, \$75 million will replace diversions from the New Jersey Turnpike and the Transportation Trust Fund Reserves, and \$25 million represents new direct funding which would result in a total budget of \$2.34 billion. There is no fare increase contemplated.

The second slide shows the budget's sources and uses of funds. Under the Governor's budget proposal, farebox and non farebox revenue would account for 47 percent of revenue while the State operating subsidy would provide 17 percent, compared to 13 percent last year. Capital to operating would revert to \$461 million from \$511 million this year representing 20 percent of revenue.

On the expense side, labor and fringe will continue to account for the majority of expenses at 60% of the budget followed by purchased transportation at 11 percent.

For Fiscal Year 2021, they forecasted a budget totaling \$2.472 billion. For purposes of this forecast, they assumed the State Operating Subsidy would remain flat at \$407.5 million. Factoring in modest growth in farebox and non-farebox revenue, they would require an additional \$138 million in funding which could come from a combination of fares, other revenue, state or federal support, efficiencies and/or a new, dedicated funding stream.

Note that this is the first step in a budget process they anticipate will go through June. After the State finalizes its budget, we will seek formal approval for the Fiscal Year 2020 budget likely at the July Board meeting.

Mr. Viqueira asked for approval of Item #1903-09.

Board Member Flora M. Castillo made a motion to approve Action Item #1903-09, Board Member Edmund Caulfield seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-10: ANNUAL INDEPENDENT AUDIT SERVICES FOR FISCAL YEARS 2019, 2020, 2021, 2022 AND 2023**

Executive Director Corbett introduced John O’ Hern, Auditor General, to present Action Item #1903-10.

John O’Hern recommended approval of Action Item #1903-10: Annual Independent Audit Services for Fiscal Years 2019 through 2023.

NJ TRANSIT is required to have an audit of its books and accounts to be made at least once each year by independent certified public accountants.

Approval was requested to enter into Contract No. 18-008 with Deloitte & Touche LLP of Parsippany, New Jersey, to provide independent auditing services for Fiscal Years 2019, 2020, and 2021, with NJ TRANSIT having the sole discretion to extend the contract for two additional one (1)-year periods, Fiscal Years 2022 and 2023. Under Contract No. 18-008, NJ TRANSIT will also have the sole discretion to retain Deloitte firm to provide the optional services of three (3) quarterly reviews of NJ TRANSIT’s results of operations for the quarters ending September 30, 2023, December 31, 2023, and March 31, 2024. The total value of this authorization for the five (5)-year period and the three quarterly reviews after June 30, 2023 is \$2,987,291, subject to the availability of funds.

Approval of this item will allow the Chair or Executive Director to contract with Deloitte & Touche LLP to provide supplemental audit or other services during the contract period on an as-needed basis at a cost not to exceed \$200,000 per fiscal year, subject to the availability of funds.

Mr. O’Hern asked for approval of Item #1903-10.

Board Member Flora M. Castillo made a motion to approve Action Item #1903-10, Board Member Edmund Caulfield seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-11: COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF EASEMENTS FROM AMTRAK AND A REMEDIATION AGREEMENT FOR THE MILLSTONE INDUSTRIAL TRACK AND CERTAIN PROPERTIES ADJACENT TO COUNTY YARD**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-11.

Eric Daleo recommended approval of Action Item #1903-11: County Yard Improvement Project: Acquisition of Easements from Amtrak and a Remediation Agreement for the Millstone Industrial Track and Certain Properties Adjacent to County Yard.

Approval was requested to negotiate and enter into agreements with Amtrak to acquire (1) a permanent easement for a 1.10 acre property for the Handy track from Milepost ~31.90 to Milepost ~32.0, (2) a permanent easement for a 14.5 acres located in County Yard from Milepost ~32.0 to Milepost~ 33.0 and (3) a permanent easement in certain Amtrak properties along the Delco Lead totaling 2.9 acres from Milepost~33.0 to Milepost~36.45 in the City of New Brunswick and Township of North Brunswick, County of Middlesex, New Jersey, and (4) other temporary and permanent easements as necessary in order to effectuate the County Yard Improvement Project, in the amount discussed in Executive Session, subject to the availability of funds.

In addition, authorization is requested to negotiate and enter into an agreement with Amtrak to delineate PCB cleanup responsibilities by NJ TRANSIT in the Millstone Industrial track and certain properties adjacent to County Yard.

Approval of this item will allow NJ TRANSIT to move forward with the County Yard project and provide safe-haven storage of rail cars and locomotives in a strategically beneficial location along the Northeast Corridor, provide NJ TRANSIT with an additional facility to maintain its equipment at a mid-line location on the Northeast Corridor, and permit the evacuation of rolling stock from both the Meadows Maintenance Complex and Morrisville Yard when extreme weather threatens service.

Mr. Daleo asked for approval of Item #1903-11.

Board Member Edmund Caulfield made a motion to approve Action Item #1903-11, Board Member Flora M. Castillo seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-12: COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF 298 JERSEY AVENUE LLC AND 120 JERSEY AVENUE LLC NEW BRUNSWICK, NEW JERSEY PRIVATE PROPERTY**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-12.

Eric Daleo recommended approval of Action Item #1903-12: County Yard Improvement Project: Acquisition of 298 Jersey Ave LLC and 120 Jersey Avenue LLC New Brunswick, New Jersey Private Property.

Approval was requested to take any and all actions to acquire, in accordance with the Eminent Domain Law of 1971, from 298 Jersey Ave LLC, a portion of the property located at 298 Jersey Avenue (Block: 242, Lot 5.02), New Brunswick, New Jersey, also known as parcels 5A and E5B, and 120 Jersey Avenue (Block: 242, Lot 3.02), New Brunswick, New Jersey, not to exceed the amount discussed in Executive Session, subject to the availability of funds.

Approval was also requested to file complaints in condemnation and file and record declaration of taking to acquire said parcels and deposit the estimated just compensation with the Clerk of the Superior Court.”

The acquisition of property from 298 Jersey Avenue LLC and 120 Jersey Avenue LLC, is essential for the expansion of County Yard, which will allow for the safe-haven storage of rail cars and locomotives in a strategically beneficial location along the Northeast Corridor.

Mr. Daleo asked for approval of Item #1903-12.

Board Member Edmund Caulfield made a motion to approve Action Item #1903-12, Board Member Flora M. Castillo seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-13: NJ TRANSIT – PORTAL NORTH BRIDGE PROJECT: REAL ESTATE ACQUISITION**

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1903-13.

Eric Daleo recommended approval of Action Item #1903-13: NJ TRANSIT – Portal North Bridge Project: Real Estate Acquisition.

Approval was requested to take any and all actions to acquire Parcels 133 and 207 in accordance with the Eminent Domain Law of 1971, not to exceed an amount as discussed in Executive Session, subject to the availability of funds.

Approval was also requested to file complaints in condemnation and file and record a declaration of taking, where necessary, to acquire Parcels 117, 125, 126, 127, and 209 or other parcels for the Portal North Bridge Project and deposit the estimated just compensation with the Clerk of the Superior Court.

Approval of this item will allow NJ TRANSIT to acquire multiple properties to provide for compensatory payment to property owners that hold title to land rights needed for the Project so long as NJ TRANSIT attempts to acquire the parcels from the property owners through bona fide negotiations as required by the Eminent Domain Act of 1971.

Mr. Daleo asked for approval of Item #1903-13.

Board Member Flora M. Castillo made a motion to approve Action Item #1903-13, Board Member Edmund Caulfield seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**1903-14: PERSONAL INJURY CLAIM OF SOLBRINA FAJARDO**

Executive Director Corbett introduced William Viqueira, Chief Financial Officer & Treasurer, to present Action Item #1903-14.

William Viqueira recommended approval of Action Item #1903-14: Personal Injury Claim of Solbrina Fajardo.

Approval was requested to settle the claim of Solbrina Fajardo, through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Mr. Viqueira asked for approval of Item #1903-14.

Board Member Flora M. Castillo made a motion to approve Action Item #1903-14, Board Member Edmund Caulfield seconded it, and the item was unanimously adopted.

**Roll Call Vote:**

Gutierrez-Scaccetti	Caulfield	Ajmani	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

**Adjournment**

Since there were no further comments or business, Chair Gutierrez-Scaccetti called for adjournment and a motion to adjourn was made by Board Member Flora M. Castillo, seconded by Edmund Caulfield, and unanimously adopted. The meetings were adjourned at approximately 8:54 p.m.

**NEW JERSEY TRANSIT CORPORATION  
 NJ TRANSIT BUS OPERATIONS, INC.  
 NJ TRANSIT RAIL OPERATIONS, INC.  
 NJ TRANSIT MERCER, INC.  
 NJ TRANSIT MORRIS, INC.  
 RESCHEDULED BOARD OF DIRECTORS' MEETINGS**

**MARCH 13, 2019**

**FINAL AGENDA**

	<b>PAGE</b>
➤ <b>CALL TO ORDER</b>	-
➤ <b>SAFETY ANNOUNCEMENT</b>	-
➤ <b>PLEDGE OF ALLEGIANCE TO THE FLAG</b>	-
➤ <b>EXECUTIVE SESSION AUTHORIZATION</b>	<b>54046</b>
➤ <b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	<b>54047</b>
➤ <b>EXECUTIVE DIRECTOR'S MONTHLY REPORT</b>	<b>54048</b>
➤ <b>PUBLIC COMMENTS</b>	-
➤ <b>ADVISORY COMMITTEE REPORT</b>	-
➤ <b>BOARD COMMITTEE REPORT</b>	-

**ACTION ITEMS**

<b>1903-05</b>	<b>2018 CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACTS PROGRAM: CONSTRUCTION MANAGEMENT; COMMUNITY TRANSPORTATION; VERTICAL TRANSPORTATION; ACCESS LINK</b> – Authorization to enter into NJ TRANSIT Contract Nos. 17-045 through 17-047 with the firms shown in Exhibit A for Construction Management, Community Transportation, Vertical Transportation, and Access Link. The total value of the 2018 Task Order Consultant Contracts Program, of which these contracts comprise Package Three, will be \$70,000,000. Each contract will extend for five years; the maximum task and contract limits are shown in Exhibit B.	<b>54071</b>
<b>1903-06</b>	<b>NJ TRANSIT RESILIENCE PROGRAM: LONG SLIP FILL AND RAIL ENHANCEMENT – CONSTRUCTION MANAGEMENT SERVICES</b> – Authorization to enter into NJ TRANSIT Contract No. 18-003 with STV, Inc. for the Construction Management Services of the Long Slip Fill and Rail Enhancement Project at a cost not to exceed \$16,443,810.16, plus five percent for contingencies, subject to the availability of funds.	<b>54076</b>

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
RESCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 13, 2019  
FINAL AGENDA  
PAGE 2

- 1903-07 NJ TRANSIT RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES AND ADDITIONAL ENGINEERING SERVICES – 54078**  
Authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with STV, Inc. (NJ TRANSIT Contract No. 13-006C) by \$3,970,000, for a maximum authorization amount of \$12,735,776 for this contract (NJ TRANSIT Resilience Program) and a maximum authorization amount of \$121,371,206 for the 2012 Task Order Consultant Contracts (NJ TRANSIT Resilience Program), subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.
- 1903-08 ADOPTION OF UNIFORM ETHICS CODE AND SUPPLEMENTAL CODE OF ETHICS – 54080**  
Authorization to adopt the Uniform Ethics Code as Corporate-Wide Policy 2.03 (Exhibit A).
- Authorization to adopt the Corporate-Wide Policy 2.03A Supplemental Code of Ethics (Exhibit B), to comply with other requirements imposed by P.L. 2018, c. 162, including providing guidelines for when it is appropriate for the Chief Ethics Officer to forward the results and findings of a preliminary investigation to the State Ethics Commission, Office of the Attorney General, county prosecutor's office, or any other appropriate agency for further investigation or action.
- Both the Uniform Ethics Code and the Supplemental Code of Ethics shall apply to all NJ TRANSIT board members, officers, and employees, agreement, and non-agreement.
- 1903-09 BUDGET PROPOSAL TRANSMITTAL – 54201**  
Authorization to transmit Exhibit A and Exhibit B to the Commissioner of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee.
- 1903-10 ANNUAL INDEPENDENT AUDIT SERVICES FOR FISCAL YEARS 2019, 2020, 2021, 2022 AND 2023 – 54259**  
Authorization to enter into NJ TRANSIT Contract No. 18-008 with Deloitte & Touche LLP of Parsippany, New Jersey, to provide independent auditing services for Fiscal Years 2019, 2020, and 2021, with NJ TRANSIT having the sole discretion to extend the contract for two additional one (1)-year periods, Fiscal Years 2022 and 2023. Under Contract No. 18-008, NJ TRANSIT will also have the sole discretion to retain Deloitte firm to provide the optional services of three (3) quarterly reviews of NJ TRANSIT's results of operations for the quarters ending September 30, 2023, December 31, 2023, and March 31, 2024. The total value of this authorization for the five (5)-year period and the three quarterly reviews after June 30, 2023 is \$2,987,291, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
RESCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 13, 2019  
FINAL AGENDA  
PAGE 3

Authorization to contract with Deloitte to provide supplemental audit or other services during the contract period on an as-needed basis at a cost not to exceed \$200,000 per fiscal year, subject to the availability of funds.

**1903-11 COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF EASEMENTS FROM AMTRAK AND A REMEDIATION AGREEMENT FOR THE MILLSTONE INDUSTRIAL TRACK AND CERTAIN PROPERTIES ADJACENT TO COUNTY YARD 54261**

– Authorization to negotiate and enter into agreements with Amtrak to acquire (1) a permanent easement for a 1.10 acre property for the Handy track from Milepost ~31.90 to Milepost ~32.0, (2) a permanent easement for a 14.5 acres located in County Yard from Milepost ~32.0 to Milepost~ 33.0, (3) a permanent easement in certain Amtrak properties along the Delco Lead totaling 2.9 acres from Milepost~33.0 to Milepost~36.45 in the City of New Brunswick and Township of North Brunswick, County of Middlesex, New Jersey, and (4) other temporary and permanent easements as necessary in order to effectuate the County Yard Improvement Project, in the amount discussed in Executive Session, subject to the availability of funds.

Authorization to negotiate and enter into an agreement with Amtrak to delineate PCB cleanup responsibilities by NJ TRANSIT in the Millstone Industrial track and certain properties adjacent to County Yard.

**1903-12 COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF 298 JERSEY AVE LLC AND 120 JERSEY AVE LLC, NEW BRUNSWICK, NEW JERSEY PRIVATE PROPERTY 54264**

– Authorization to take any and all actions to acquire, in accordance with the Eminent Domain Law of 1971, from 298 Jersey Ave LLC, a portion of the property located at 298 Jersey Avenue (Block: 242, Lot 5.02), New Brunswick, New Jersey, also known as parcels 5A and E5B, and 120 Jersey Avenue (Block: 242, Lot 3.02), New Brunswick, New Jersey, not to exceed the amount discussed in Executive Session, subject to the availability of funds.

Authorization to file complaints in condemnation and file and record declaration of taking to acquire said parcels and deposit the estimated just compensation with the Clerk of the Superior Court.

**1903-13 NJ TRANSIT – PORTAL NORTH BRIDGE PROJECT: REAL ESTATE ACQUISITION 54265**

– Authorization to take any and all actions to acquire Parcels 133 and 207 in accordance with the Eminent Domain Law of 1971, not to exceed an amount as discussed in Executive Session, subject to the availability of funds.

Authorization to file complaints in condemnation and file and record a declaration of taking, where necessary, to acquire Parcels 117, 125, 126, 127, and 209 or other parcels for the Portal North Bridge Project and deposit the estimated just compensation with the Clerk of the Superior Court.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
RESCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 13, 2019  
FINAL AGENDA  
PAGE 4

**1903-14**    **PERSONAL INJURY CLAIM OF SOLBRINA FAJARDO** – Authorization to settle **54267**  
the claim of Solbrina Fajardo through her attorney, at an amount discussed in  
executive session. The Attorney General has approved the proposed settlement,  
subject to the availability of funds.

➤    **ADJOURNMENT**

**EXECUTIVE SESSION AUTHORIZATION**

**BE IT HEREBY RESOLVED** pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the County Yard Improvement Project: Acquisition of the Easements from Amtrak and a Remediation Agreement for the Millstone Industrial Track and Certain Properties Adjacent to County Yard; the County Yard Improvement Project: Acquisition of 298 Jersey Avenue LLC and 120 Jersey Avenue LLC, New Brunswick, New Jersey Private Property; the NJ TRANSIT – Portal North Bridge Project: Real Estate Acquisition, and the Personal Injury Claim of Solbrina Fajardo; and

**BE IT FURTHER RESOLVED** that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

### **APPROVAL OF MINUTES**

**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the February 13, 2019 Board Meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on February 19, 2019;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the February 13, 2019 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Philip D. Murphy, Governor  
Sheila Y. Oliver, Lieutenant Governor  
Diane Gutierrez-Scaccetti, Commissioner  
Kevin S. Corbett, Executive Director



One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

**TO:** BOARD OF DIRECTORS  
**FROM:** KEVIN S. CORBETT   
**DATE:** MARCH 13, 2019  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT – MARCH 2019

Two weeks ago at a customer forum in Cherry Hill, I was pleased to announce that the Atlantic City Rail Line and the Princeton Dinky will both resume full service on May 24th. I want to thank our customers for their patience these last few months. I know it has not been easy without the critical rail services that both the ACRL and the Dinky provide. The decision to temporarily suspend service on these lines was not made lightly. We know that one of the primary sources of frustration that our customers had was the uncertainty of when these lines would begin operating again. The FRA recently gave us their formal approval of our alternative schedule for Positive Train Control, officially signing off on our plan to reach full implementation before the end of 2020. When we received that approval, our level of confidence had risen to a point which we felt comfortable in providing a date-certain. One of the things I did not want to do was to restore service only to have to pull back on it, or find that we could not operate it reliably in a sustained fashion. May 24<sup>th</sup> restores service in time for the Memorial Day weekend and the summer tourism season.

From our time listening to our Atlantic City Rail Line customers, we heard requests to have some of the alternate bus service stop at the rail terminal instead of just the bus terminal. Based on that feedback from customers, we've adjusted the 551 and 340 bus routes to also provide stops at the Atlantic City Rail Terminal. That enhancement, and all of the alternate transportation options, will remain in effect for Atlantic City and Princeton customers through May 24th. Again, I thank all of our customers for their patience and understanding.

In addition to Atlantic City and Cherry Hill, I, along with our Board Chair and senior NJ TRANSIT management staff, have been listening to customers throughout the state. Customer forums have also been held in Princeton, Westfield, Somerville and Morris Township, and we have found them incredibly valuable. It's so important to hear firsthand from customers about their experiences with NJ TRANSIT. We use that feedback to make improvements to the customer experience whenever possible, as demonstrated by the revisions we made to the 551 and 340 bus routes now serving the Atlantic City Rail Terminal.

Last Thursday, we held two public hearings on the proposed temporary suspension of Hudson Bergen Light Rail service along the West Side Avenue branch. We will be taking these comments into consideration as we continue to work with the Jersey City Municipal Utilities Authority (JCMUA) to minimize the disruption to the greatest extent possible. The JCMUA work will require us to decommission a section of track between Liberty State Park and West Side Avenue on or about June first, to allow for needed repairs to an underground sewer main. The temporary suspension of service at West Side Ave, Martin Luther King Drive and Garfield Avenue stations is expected to last approximately nine months. During that time, substitute bus service will be provided, and we will be communicating further details with our customers once plans are finalized.

Customers at Hoboken Terminal will also begin to see some construction work as we make significant repairs to the canopy and roof above Track 5. This month, early action work will take place to set the stage for the larger repairs beginning in April. The project is expected to take about a year, and during that time a section of the pedestrian walkway between Tracks 3 and 7 will be temporarily restricted. We will have plenty of signs posted to direct customers to the alternate pedestrian paths through the terminal. At this time, we do not expect these repairs to impact rail or bus service at Hoboken Terminal.

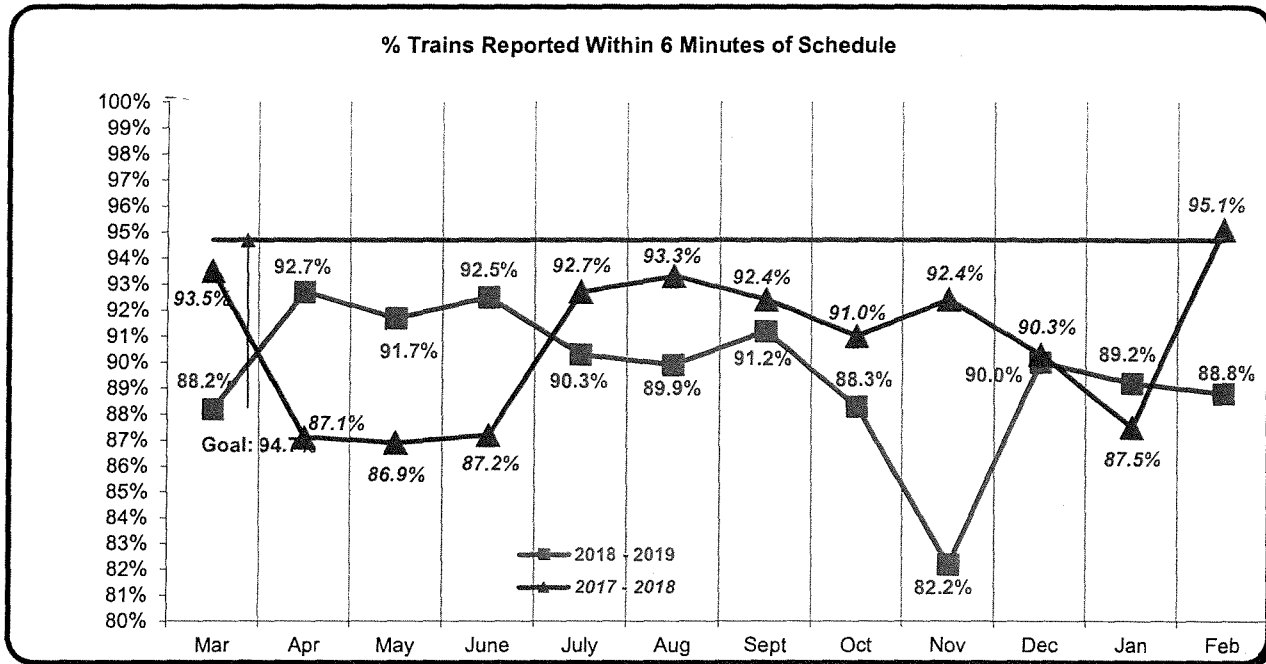
Last month, marked one year since I took the reins as Executive Director of NJ TRANSIT, and it has been quite a year! I'm proud of what we accomplished after years of under-investment and inattention. We've finalized our agreement with Amtrak, got PTC back on track to meet the federal milestone, completed early action construction work on a new Portal Bridge, and hired hundreds of new front line employees in addition to streamlining procurements and getting contracts awarded. You can look across the agency and see positive things happening. We are delivering real results for our customers and, with the Governor's continued support, we will continue pushing forward in the upcoming year.

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT MARCH 13, 2019**

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

# **PERFORMANCE MEASURES**

## NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2017 - FEBRUARY 2019



	Jan. 2019	Feb. 2019	# Change
<b>One-Month Comparison</b>	89.2%	88.8%	-0.4%
	<b>2018</b>	<b>2019</b>	<b># Change</b>
<b>February Comparison</b>	95.1%	88.8%	-6.3%
	<b>2017-2018</b>	<b>2018-2019</b>	<b># Change</b>
<b>12-Month Average Mar. 2017 - Feb. 2019</b>	90.8%	89.6%	-1.2%

**Analysis:**

Rail On-Time Performance was 88.8% for February, 2019. Of the 15,274 trains scheduled to operate, 13,556 were on time, while 1718 trains (or 11.2%) were delayed. Key causes included:

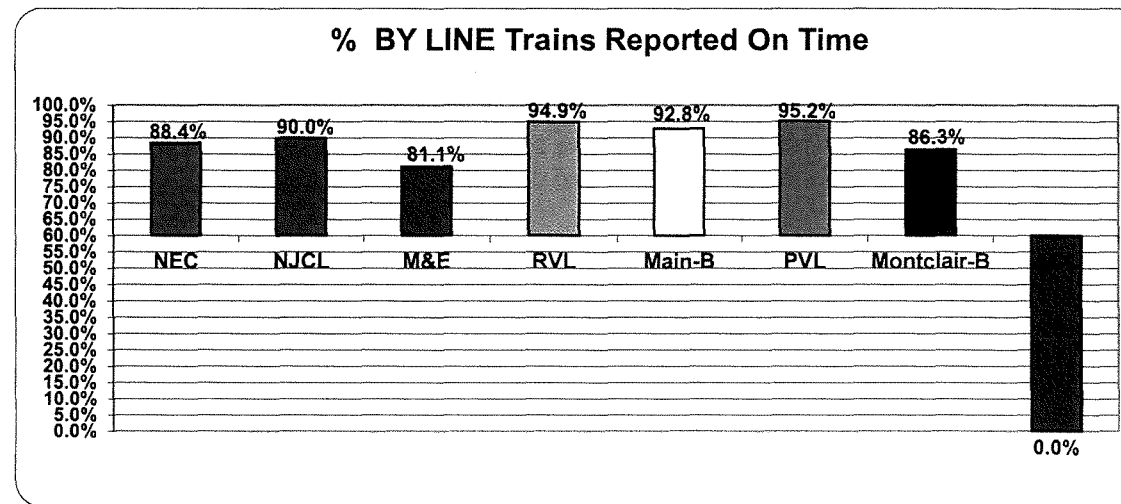
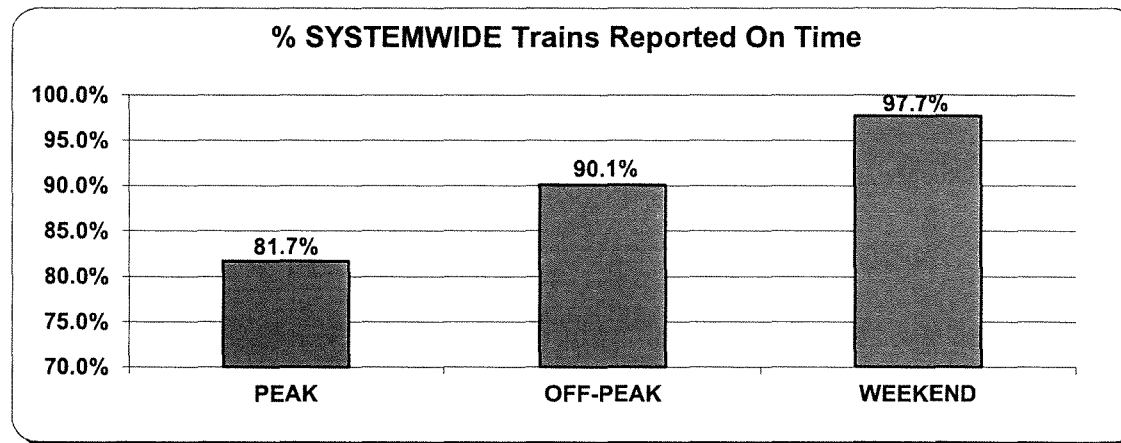
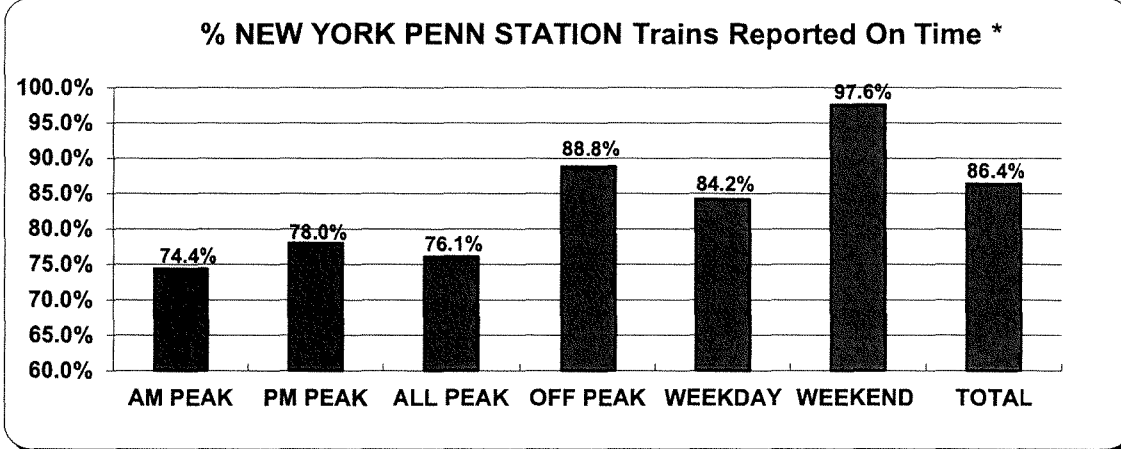
- Amtrak Programmed Maintenance, Amtrak Catenary, Track and Signal Failures, NJT Trackside Interference, NJT Manpower Shortage, NJT Shortage of Equipment, NJT Bridge Failure and NJT Equipment Failure contributed to 129 delays resulting in 75.8% OTP on February 1.
- Amtrak Signal Failure Weather, NJT Diesel Failure, NJT Manpower Shortage, NJT Equipment Failure and NJT Carryover Delays contributed to 149 delays resulting in 72.4% OTP on February 12.
- Amtrak Catenary and Equipment Failures contributed to 115 delays resulting in 79.7% OTP on February 27.

The 12-month average for Rail On-Time Performance March, 2018 - February, 2019 was 89.6%, which has decreased by 1.2%.

# ON-TIME PERFORMANCE RAIL

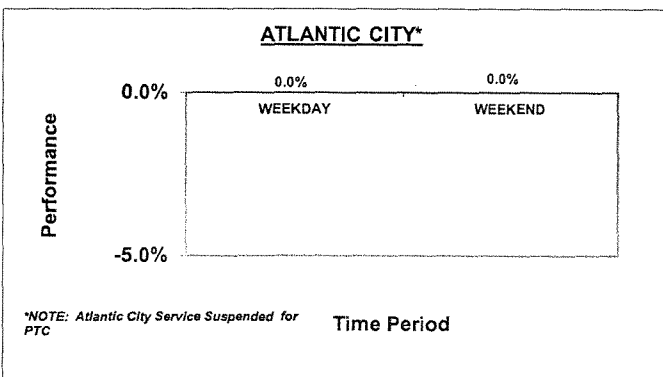
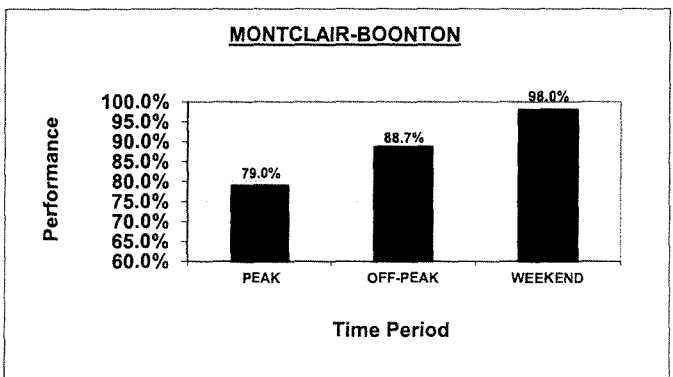
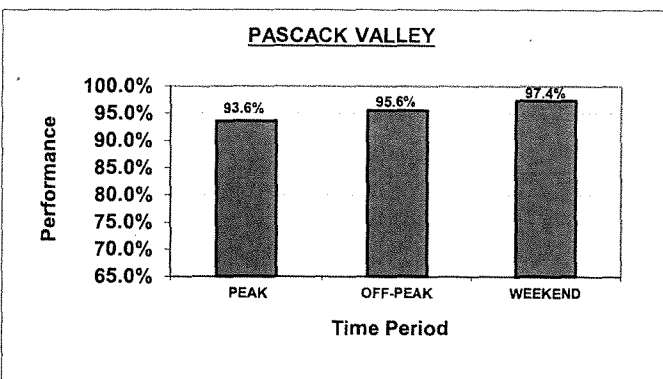
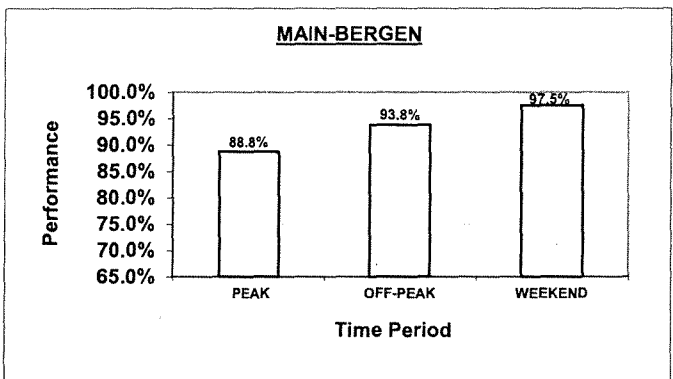
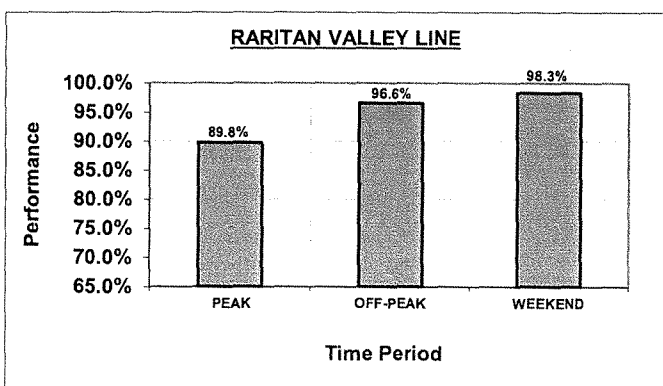
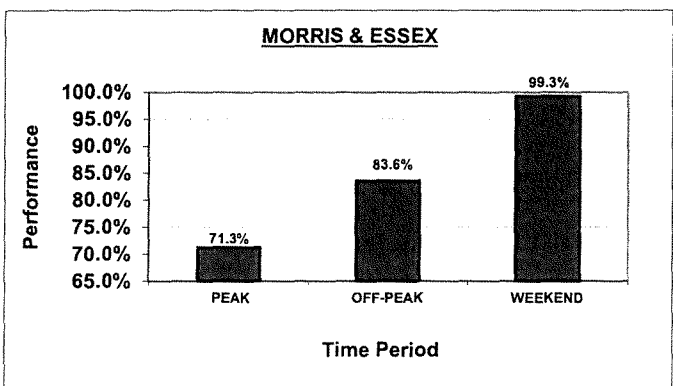
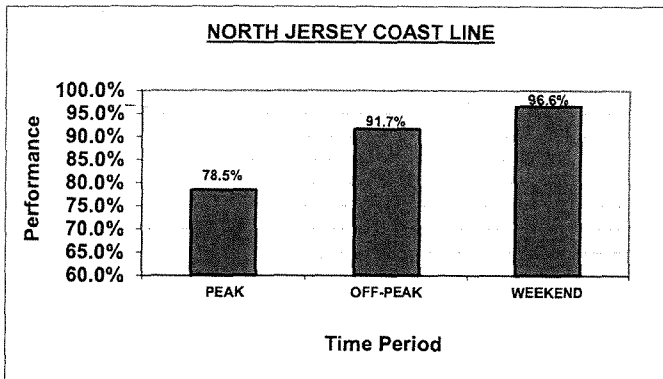
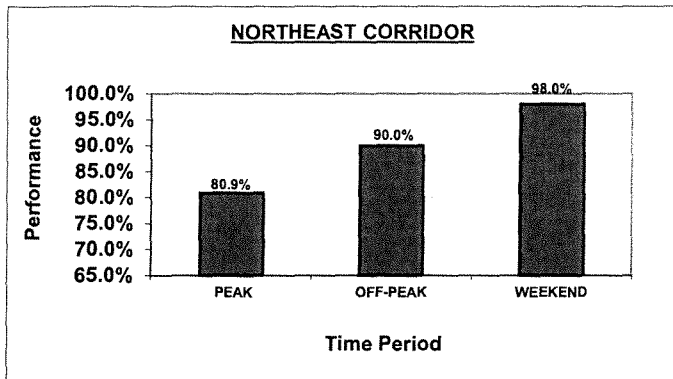
## SUMMARY BY TIME PERIOD FEBRUARY, 2019

\* NOTE: A train is reported late if it arrives at its final station stop more than 5:59 later than the advertised schedule.



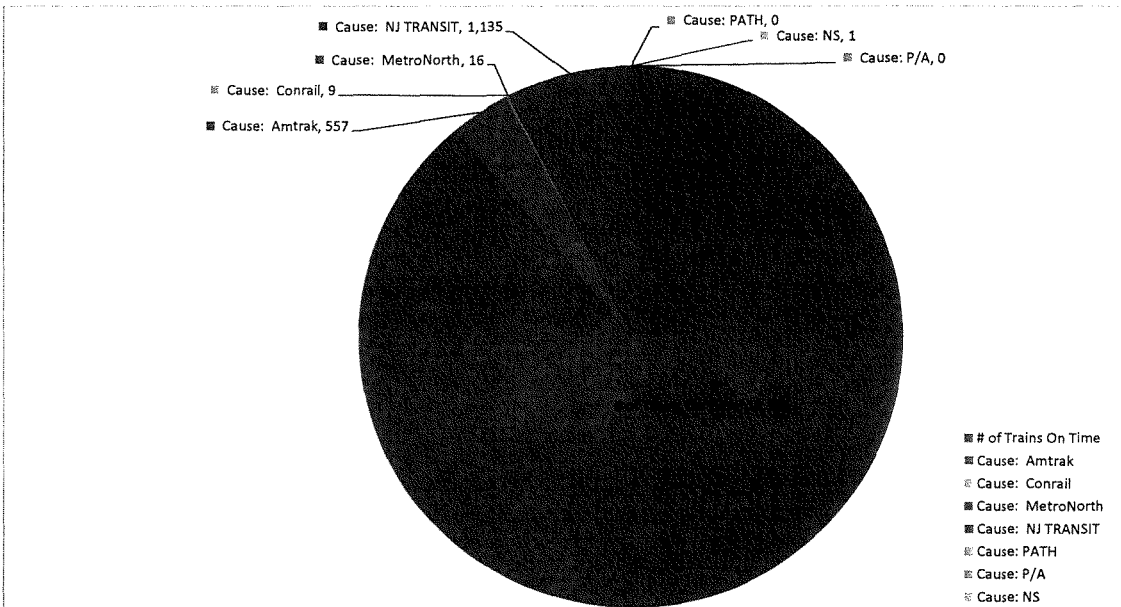
NOTE: ATLANTIC CITY SERVICE SUSPENDED FOR PTC

# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2019



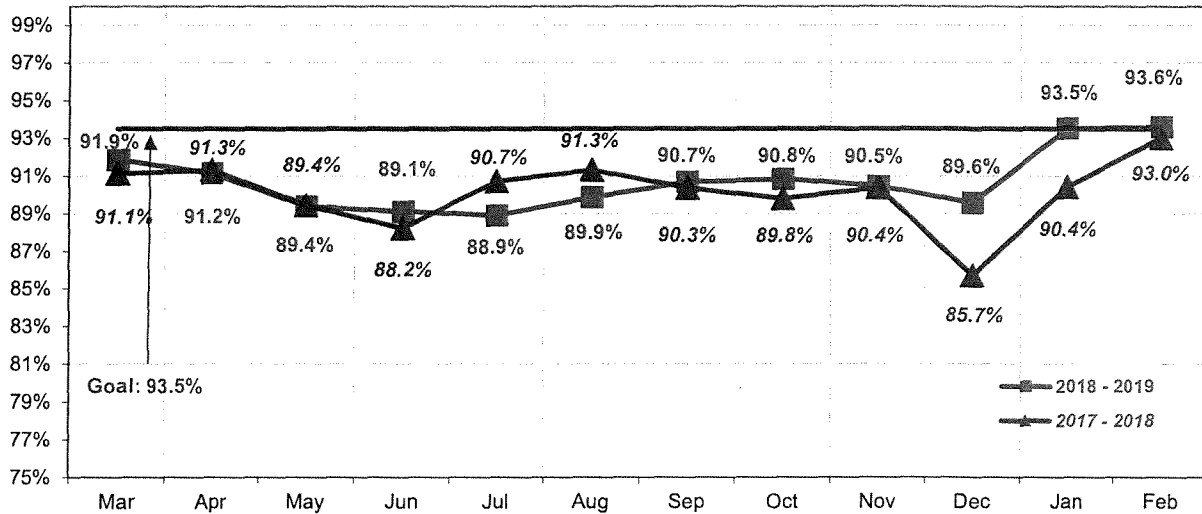
**NJ TRANSIT Performance - FEBRUARY, 2019**  
Late NJ TRANSIT Trains

# of Trains On	Cause: Amtrak	Cause: Conrail	Cause: MetroNorth	Cause: NJ TRANSIT	Cause: PATH	Cause: P/A	Cause: NS
# of Trains On Time	13,556	557	9	16	1,135	0	0
# of Late Trains	1,718	3.65%	0.06%	0.10%	7.43%	0.00%	0.00%
Total # of Trains	15,274						
Percentage On Time	88.8%						



## NJ TRANSIT ON-TIME PERFORMANCE BUS MARCH 2017 - FEBRUARY 2019

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2018	2019	% Change
February Comparison	93.0%	93.6%	0.6%

	2018	2019	% Change
12-Month March - February	90.2%	90.8%	0.6%

**Analysis:**

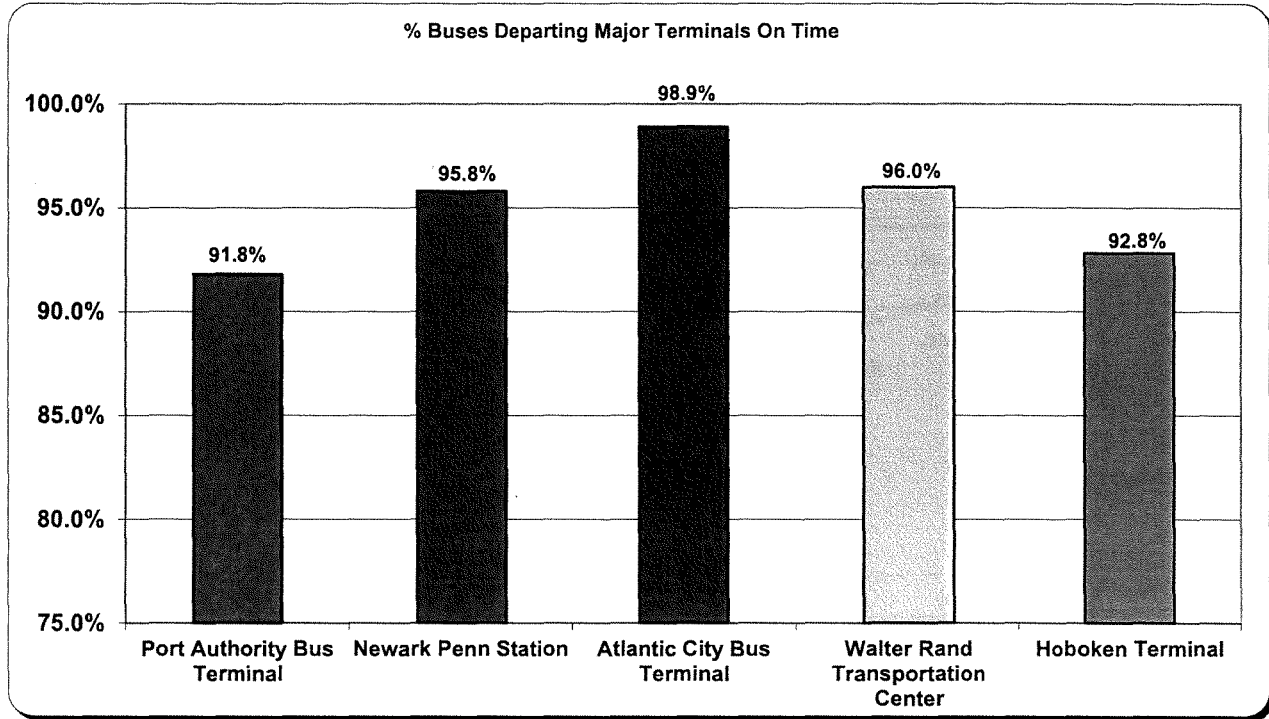
Bus On-Time Performance was 93.6% for February 2019. Of the 39,618 monitored departures 2,531 (or 6.4%) experienced delays. Key causes included:

- At PABT, on the 12<sup>th</sup> and again on the 21<sup>st</sup> snow and ice caused significant delays. On the 15<sup>th</sup>, an overturned tractor trailer caused congestion and delay.
- At Newark Penn, on the 21<sup>st</sup>, inclement weather caused delays

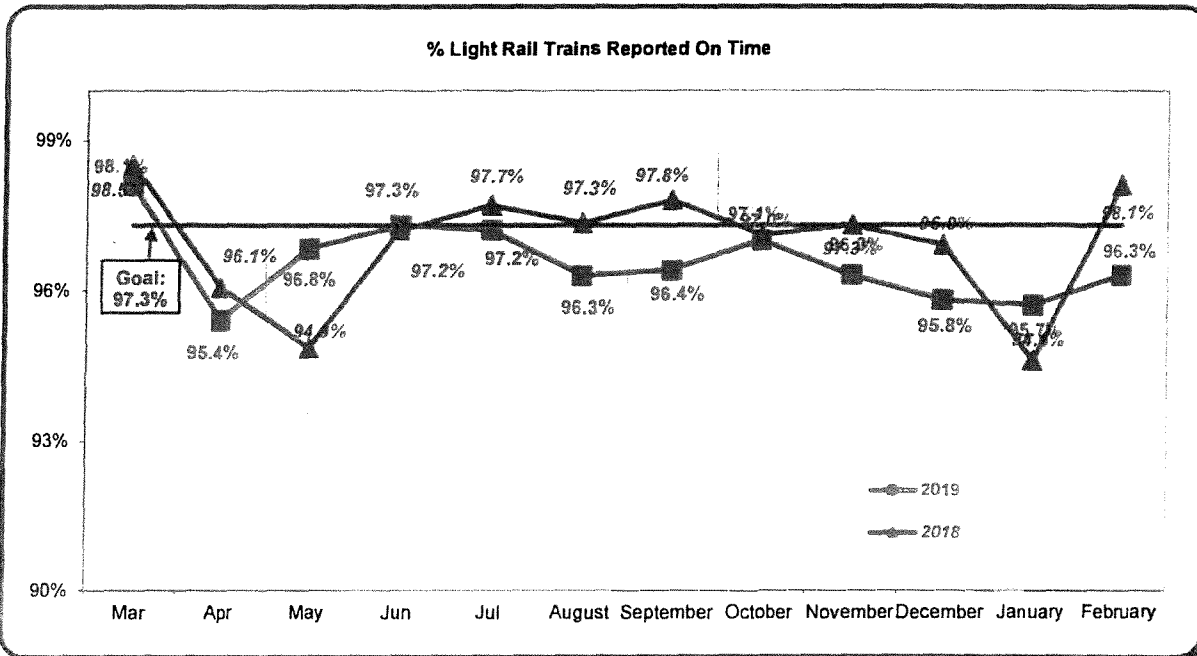
The 12-month average for Bus On-Time Performance for March - February was 90.8%, which was up by 0.6% from the previous year.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL FEBRUARY 2019



## NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL MARCH 2017 - FEBRUARY 2019



	2018	2019	# Change
<b>February Comparison</b>	98.10%	96.30%	-1.8%

	2018	2019	# Change
<b>12-Month Average Ended Mar 2018 &amp; Feb 2019</b>	96.95%	96.55%	-0.4%

**Analysis:**

Light Rail On-Time Performance systemwide was 96.55% for the month of February 2019. Of the 24,063 scheduled departures, 1,132 experienced delays.

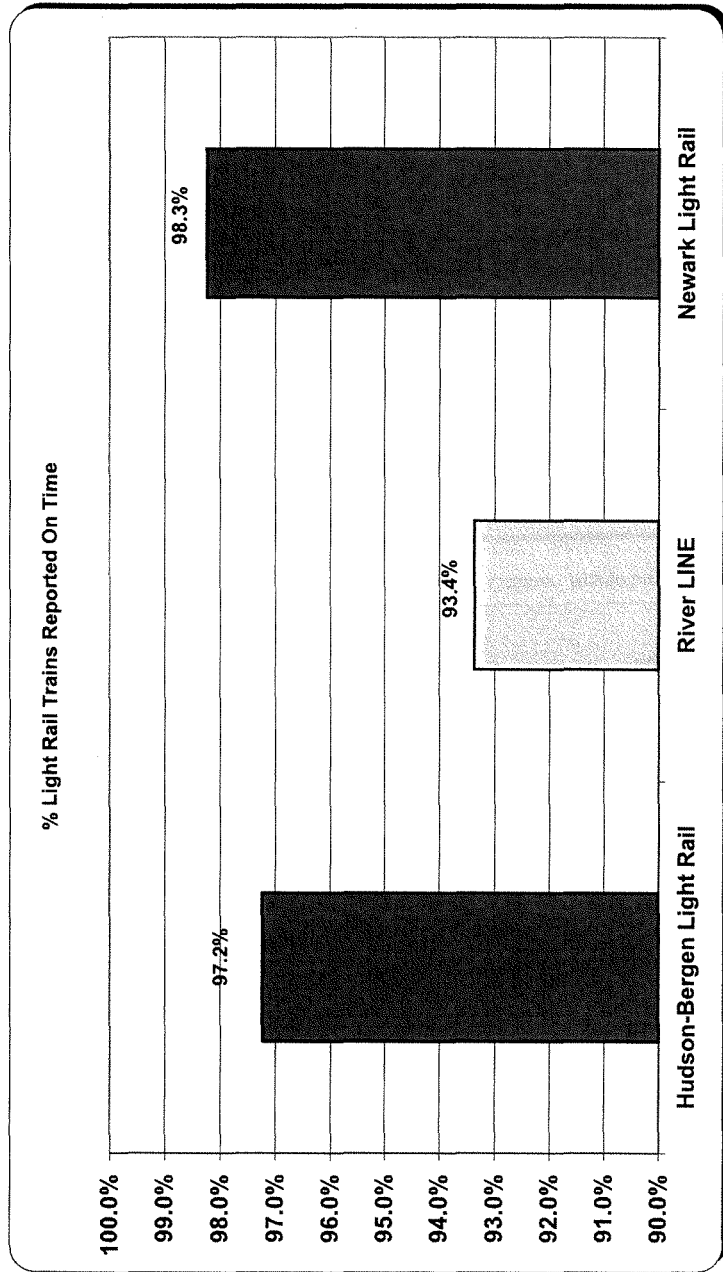
Key causes included:

- River Line - Delays on select days were caused by police activity, track obstruction work and equipment malfunctions.
- Hudson-Bergen Light Rail -- Delays on select days were due to a power interruption, scaffolding issues and equipment malfunctions.
- Newark Light Rail -- Mechanical malfunctions, paving work, manpower issues and adverse weather affected service on certain days in February.

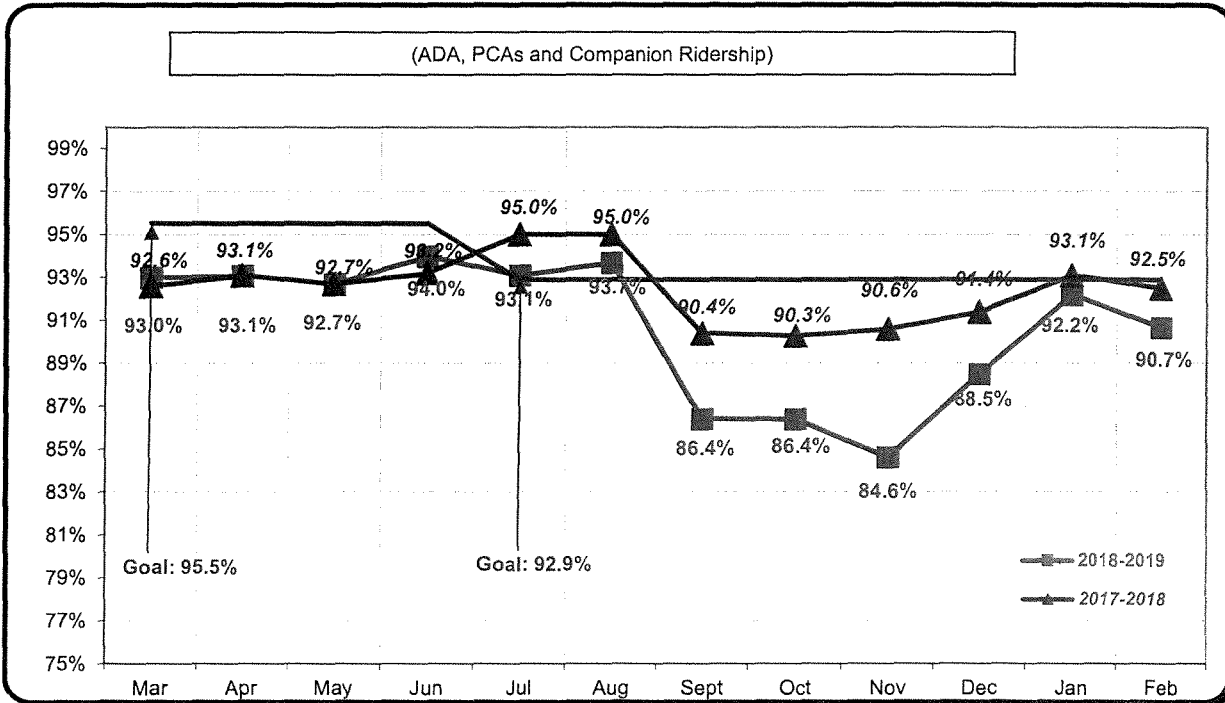
The 12 month Average for Light Rail On-Time Performance for March 2018 to February 2019 was 96.55%, which decreased by 0.4%.

# ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE  
February 2019



## NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK March 2017 - February 2019



	2018	2019	% Change
February Comparison	92.5%	90.6%	-1.9%

	2018	2019	Difference
February Ridership	128,637	129,436	799

	2017-2018	2018-2019	% Change
12-Month Average March-February	92.5%	90.7%	-1.8%

**Analysis:**

Access Link On-Time Performance was 90.6% for February, 2019. In serving 129,436 total riders, for 118,715 ADA customers trips, 11,114 (or 9.4%) experienced delays.

**Key causes include:**

- Driver shortages and issues retaining drivers in the larger regions
- Delays due to increased traffic volume and congestion
- Scheduling impact from pick-up window reduction
- Delays due to several days of adverse weather conditions

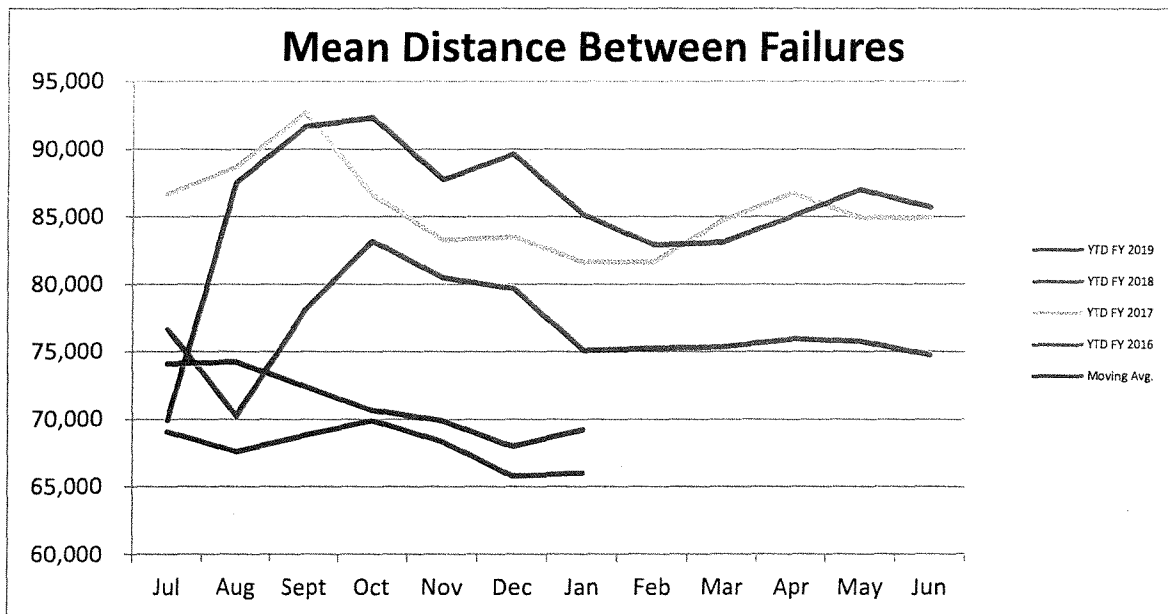
The 12-month average for Access Link On-Time Performance for March 2018 - February 2019 was 90.7%, which decreased by 1.8%.

# **MEAN DISTANCE BETWEEN FAILURES**

January 2019

**NJ TRANSIT Rail Operations**  
**Mean Distance Between Failures**

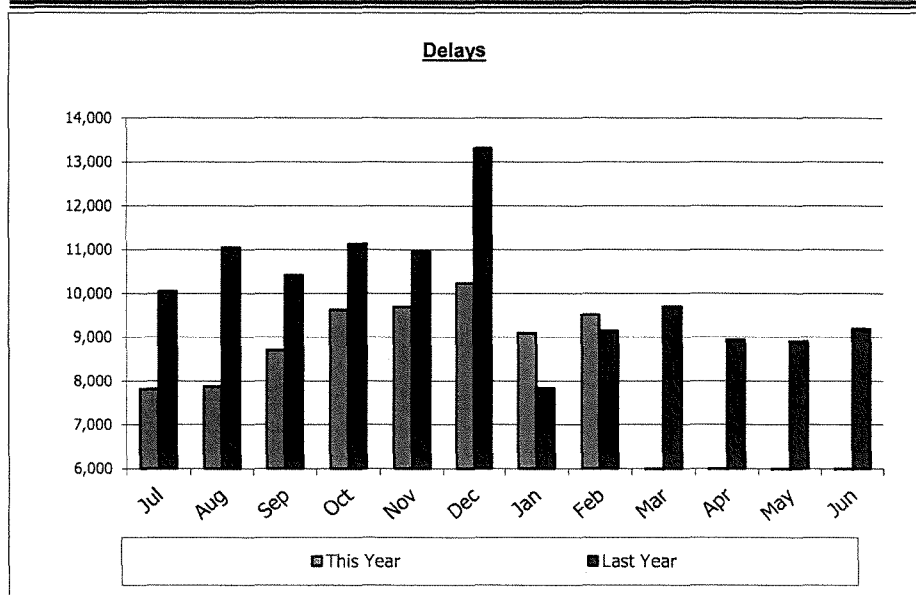
Month	YTD FY2019	YTD FY2018	YTD FY2017	YTD FY2016	12 Month Moving Avg.
Jul	69,055	76,674	86,683	69,926	74,107
Aug	67,612	70,263	88,680	87,565	74,238
Sept	68,823	78,151	92,705	91,669	72,424
Oct	69,913	83,213	86,626	92,329	70,679
Nov	68,356	80,523	83,272	87,756	69,908
Dec	65,796	79,711	83,501	89,655	67,997
Jan	66,025	75,139	81,633	85,167	69,249
Feb	-	75,324	81,639	82,949	
Mar	-	75,376	84,715	83,112	
Apr	-	75,968	86,771	85,060	
May	-	75,787	84,920	87,022	
Jun	-	74,776	84,936	85,722	



### Garage Performance Parameters

**February 2019**

Location	Miles Between In-Service Delays			
	FY2019 Goal	This Month	FY2019 YTD	FY2018 YTD
Fairview	6,000	4,665	4,127	5,514
Greenville	7,500	6,267	5,245	4,914
Market Street	8,500	7,613	6,521	8,067
Meadowlands	10,200	4,836	5,349	6,698
Oradell	10,500	8,322	7,356	8,781
Wayne	10,500	12,347	8,431	9,910
<b>Northern Division</b>	-	<b>7,232</b>	<b>6,389</b>	<b>7,686</b>
Big Tree	8,800	9,190	5,650	7,311
Hilton	10,200	7,405	7,385	9,514
Howell	16,750	20,191	24,984	33,512
Ironbound	9,600	9,163	8,189	9,973
Orange	9,250	6,135	6,922	8,566
Morris	10,500	21,644	34,201	47,068
<b>Central Division</b>	-	<b>9,759</b>	<b>9,638</b>	<b>12,186</b>
Egg Harbor	15,500	19,563	19,371	15,019
Hamilton	13,000	9,816	8,838	12,451
Newton Avenue	12,000	12,792	11,663	11,840
Washington Twp.	14,500	15,193	18,219	11,987
<b>Southern Division</b>	-	<b>14,847</b>	<b>15,056</b>	<b>12,962</b>
<b>Bus Operations</b>	-	<b>9,515</b>	<b>8,971</b>	<b>10,280</b>

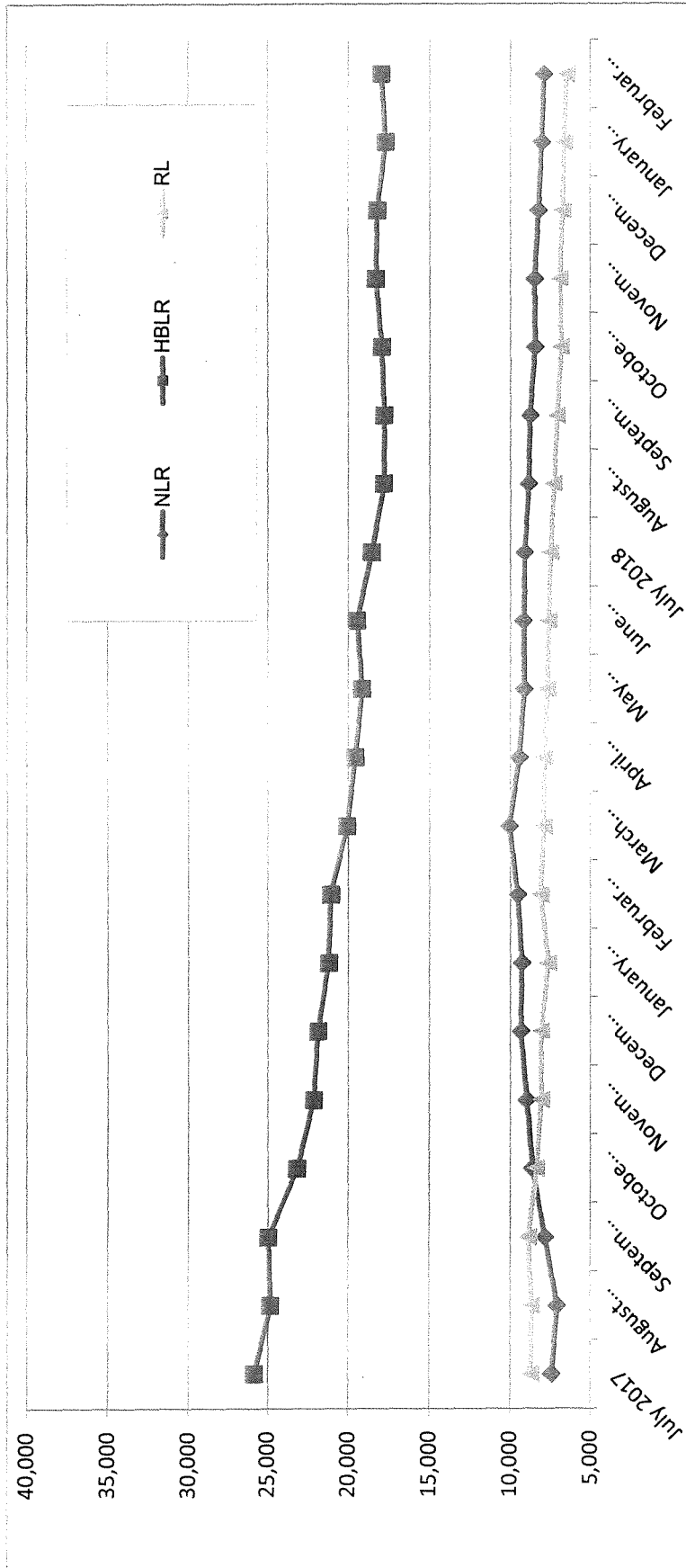


# NJ TRANSIT - LIGHT RAIL, February 2019

## Average Miles Between In Service Failures

NJT LIGHT RAIL	MDBSF *	
	February 2019	January 2019
Newark Light Rail	7,940	8,069
Hudson Bergen	17,971	17,717
River LINE	6,509	6,658

## AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES



# **DBE/SBE PROGRAM**

State Funded Contracts

During the month February 2019, NJ TRANSIT awarded \$620,407,945.95 in state funded contracts. Of that total, Small Business Enterprises (SBEs) received \$5,751,597.82 or 0.93%.

During the State Fiscal Year 2019 (July 1, 2018 through June 30, 2019) NJ TRANSIT awarded \$754,284,746.22 in state funded contracts. Of that total, SBEs received \$16,855,977.58 or 2.23%.

Note: The above reflects the Procurement Report of Awards received March 6, 2019.

SBE Goal Attainment from July 1, 2018 through June 30, 2019 (FY 2019)

Category 1 SBEs received	\$5,257,388.92	or 0.70%
Category 2 SBEs received	\$5,811,672.62	or 0.77%
Category 3 SBEs received	\$186,363.54	or 0.02%
Category 4 SBEs received	\$379,895.18	or 0.05%
Category 5 SBEs received	\$5,220,657.32	or 0.69%
Category 6 SBEs received	\$0.00	or 0.00%

FTA Funded Contracts (updated Quarterly – next update will occur April 2019)

During the 1<sup>st</sup> Quarter (October 1, 2018 – December 31, 2018) of Federal Fiscal Year 2019 (October 1, 2018 through September 30, 2019), the FTA funded share of NJ TRANSIT’s federal contracts awarded was \$149,452,230.34. Of that total, Disadvantaged Business Enterprises (DBEs) received \$28,300,272.54 or 18.94%.

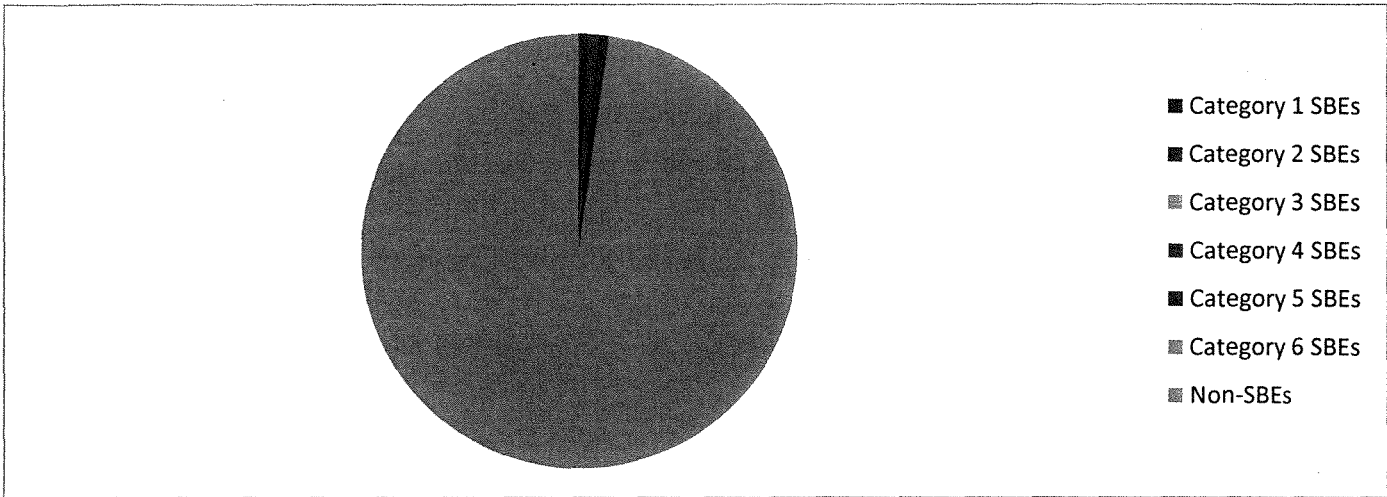
DBE Goal Attainment from October 1, 2018 – December 31, 2018 (FFY 2019)\*

Contracts awarded	\$149,452,230.34
DBEs received	\$ 28,300,272.54 or 18.94%

\*Numbers reflect federal share.

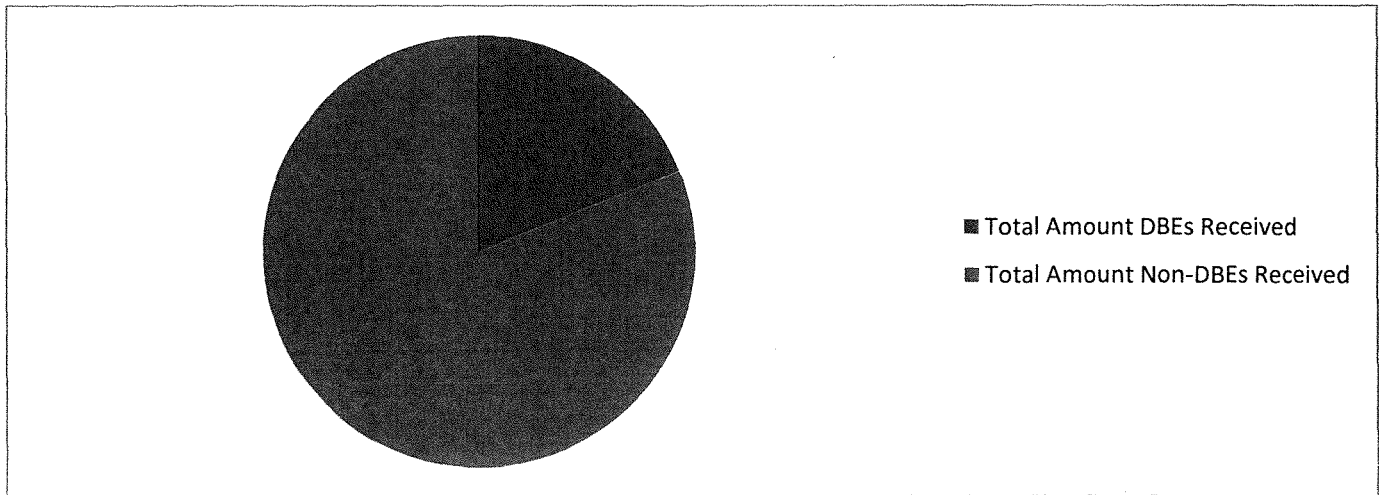
SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD 2019

<i>Category 1 SBEs</i>	\$5,257,388.92	0.70%
<i>Category 2 SBEs</i>	\$5,811,672.62	0.77%
<i>Category 3 SBEs</i>	\$186,363.54	0.02%
<i>Category 4 SBEs</i>	\$379,895.18	0.05%
<i>Category 5 SBEs</i>	\$5,220,657.32	0.69%
<i>Category 6 SBEs</i>	\$0.00	0.00%
<i>Non-SBEs</i>	\$737,428,768.64	97.77%



DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD 2018

<b>Total Amount DBEs Received</b>	<b>\$28,300,272.54</b>	<b>18.94%</b>
<b>Total Amount Non-DBEs Received</b>	<b>\$121,151,957.80</b>	<b>81.06%</b>



# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Several NJ TRANSIT employees retired recently with careers ranging from 10 to 38 years of service:

1. Robert Aleksiewicz, Repairman A – Orange – 25 years
2. Jaime Arango, Operator – Wayne – 16 years
3. James Barreras, Operator – Newton – 26 years
4. Luis Briones, Operator – Fairview – 17 years
5. Edward Brubach, Repairman – Meadowlands – 17 years
6. Eileen Duzenski, Operator – Washington Township – 13 years
7. Charles Detrollo, Repairman – Oradell – 34 years
8. Robert Feltner, Repairman – Oradell – 25 years
9. Thomas Herold, Repairman – Egg Harbor – 10 years
10. Vaughn Howze, Operator – Egg Harbor – 34 years
11. Ezekiel Hull, Repairman – Ironbound – 20 years
12. Alan Jacques, Operator – Wayne – 16 years
13. Regino Matias, Operator – Oradell – 11 years
14. Michael Matthews, Repairman – Greenville – 31 years
15. Pamela Poussaint, Operator – Hilton – 20 years
16. Martha Stewart, Repairman – Bloomfield – 29 years
17. Deloris Yeadon, Info Clerk – GOB – 31 years
18. Jacqueline Alexander, Operator – Hilton – 27 years
19. Sergio Arredondo, Operator – Howell – 26 years
20. Arbarr Aziz, Operator – Wayne – 17 years
21. Gian Azzari, Repairman – Meadowlands – 30 years
22. Ronald Bacchus, Repairman – Hilton – 17 years
23. Lillian Brennan-Curtis, Depot Master – Egg Harbor – 38 years
24. Arlene Burgos, Depot Master – Bloomfield – 27 years
25. Deodatt Chintaman, Operator – Howell – 24 years
26. Benjamin Chung, Operator – Howell – 10 years
27. Carlos Clayton, Operator – Hilton – 24 years
28. Edward Cooper, Operator – Big Tree – 25 years
29. John Curtis, Terminal Worker – AC Terminal – 32 years
30. John Dolan, Serviceman – Howell – 24 years
31. Savann Eang, Mechanic A – Washington Township – 30 years
32. Toby Fitzgerald, Repairman – Orange – 30 years

33. Jose Gonzalez, Operator – Wayne – 20 years
34. Leroy Hamlett, Maintainer A – Orange – 26 years
35. David Hayes, Operator – Newton Avenue – 25 years
36. Evelyn Holley, Operator – Newton Avenue – 25 years
37. Louis Jointe, Spc Mechanic-Welder – Washington Township – 24 years
38. Nathan Jones, Repairman – Hilton – 33 years
39. Albert Kleuser, Operator – Egg Harbor – 32 years
40. Nathan Leggett, Operator – Market Street – 18 years
41. Hector Martinez, Operator – Meadowlands – 11 years
42. James Mohr, Maintainer Class A – Orange – 27 years
43. Shikeb Nadjem, Operator – Oradell – 20 years
44. David Pearson, Operator – Meadowlands – 23 years
45. Sergio Rodriguez, Store Room Clerk – Newark Bus – 27 years
46. Jose Rosario, Maintainer Class A – Meadowlands – 30 years
47. Daniel Sarpong, Repairman – Ironbound – 24 years
48. George Sharp, Operator – Washington Township – 20 years
49. Andrew Shelton, Repairman – Big Tree – 30 years
50. Lynda Steagall, Operator – Greenville – 31 years
51. Enrique Vargas, Inspector B – Meadowlands – 38 years
52. Freda Williams, Operator – Hilton – 21 years
53. John Williams, Mechanic A – Egg Harbor – 23 years
54. Juan Aliaga, Operator – Market Street – 13 years
55. Sandra McCain, Chief Clerk – Penn Plaza – 23 years
56. Robert Webb, Director Financial Operations & Compliance – Penn Plaza – 36 years
57. Richard Codianni, General Superintendent Equipment MMC – MMC – 36 years
58. John Fritze, Superintendent Locomotives – MMC – 33 years
59. Stanley Kureczko, Senior Road Foreman – AC Rail Terminal – 30 years
60. Alan Wohl, Director Fixed Assets – Penn Plaza – 38 years
61. Darryl Cox, Conductor – Various – 33 years
62. Frank Dangelo, Senior Director Tech Services & QA/QC – Penn Plaza – 16 years
63. Mary Degaeta, Secretary – Maplewood – 34 years
64. Lisa Gorgas, TVM Terminal Agent – Maplewood – 22 years
65. Mary Levoyer, Manager Rail Capital Program Administrator – Penn Plaza – 32 years

# **ACTION ITEMS**

**ITEM 1903-05: 2018 CAPITAL PLANNING AND PROGRAMS TASK ORDER CONSULTANT CONTRACTS PROGRAM: CONSTRUCTION MANAGEMENT; COMMUNITY TRANSPORTATION; VERTICAL TRANSPORTATION; ACCESS LINK**

**WHEREAS**, NJ TRANSIT seeks to improve and expand its transportation facilities; and

**WHEREAS**, NJ TRANSIT assessed its Task Order Consultant Contracts program, determining that 14 disciplines are required to address NJ TRANSIT's needs; and

**WHEREAS**, these 14 disciplines have been organized into four packages, procured separately; and

**WHEREAS**, the NJ TRANSIT Board of Directors previously authorized Task Order Consultant Contracts in the disciplines of Corridor Planning, Environmental Consultant Services, Qualitative and Quantitative Research, Rail Operations and Infrastructure Planning, Stations, Access, Parking and Site Planning, Architectural/Engineering, Bridge and Railway Engineering, Travel Demand Forecasting, and Transit-Friendly Planning, Land Use, and Development; and

**WHEREAS**, the present item for consideration addresses package three of the four Task Order Consultant Contract Packages (Package Three). Package Three contains firms for four disciplines: Construction Management; Vertical Transportation; Access Link; Community Transportation; and

**WHEREAS**, Task Order Consultant Contracts will be used on an as-needed basis to supplement in-house staff; and

**WHEREAS**, Task Order Consultant Contracts are needed to support NJ TRANSIT's capital program, address critical issues and ensure compliance; and

**WHEREAS**, Task Order Consultant Contracts will provide specialized expertise which is rarely cost-effective to maintain in-house; and

**WHEREAS**, a Request for Proposals for Package Three was advertised on August 14, 2018; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a 20% Disadvantaged Business Enterprise (DBE) goal for the Construction Management Contract No. 17-044; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a 15% DBE goal for the Community Transportation Contract No. 17-045; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a “Race Neutral” DBE goal for the Vertical Transportation Contract No. 17-046; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a 0% Small Business Enterprise goal for the Access Link Contract No. 17-047; and

**WHEREAS**, upon completion of a competitive procurement process, it was determined that twelve firms were deemed the most qualified responsive, responsible proposers for the four disciplines included as Package Three;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is hereby authorized to enter into NJ TRANSIT Contract Nos. 17-045 through 17-047 with the firms shown in Exhibit A for Construction Management, Community Transportation, Vertical Transportation, and Access Link. The total value of the 2018 Task Order Consultant Contracts Program, of which these contracts comprise Package Three, will be \$70,000,000. Each contract will extend for five years; the maximum task and contract limits are shown in Exhibit B.

**EXHIBIT A**

**SELECTED FIRMS**

**CONTRACT NO. 17-044 CONSTRUCTION MANAGEMENT – 6 FIRMS**

- 17-044A Hill International, Inc. (Woodbridge, NJ)**  
With Subconsultants: PACO Technologies, Inc.; Envision Consultants Ltd.; SJH Engineering, P.C.; Jacobs Engineering Group, Inc.; BEM Systems, Inc.
- 17-044B Urban Engineers, Inc. (Cherry Hill, NJ)**  
With Subconsultants: Keville Enterprises; Omsum Engineering, LLC; SYSTRA Consulting, Inc.; RailPros, Inc.
- 17-044C JCMS, Inc. (Mercerville, NJ)**
- 17-044D AECOM Technical Services, Inc. (Piscataway, NJ)**  
With Subconsultants: Distinct Engineering Solutions, Inc.; Garg Consulting Services, Inc.; GTS Consultants, Inc.; Integrated Strategic Resources, LLC; Management Concepts Systems & Services, Inc.; PACO Technologies, Inc.; Techno Consult, Inc.; BEM Systems, Inc.
- 17-044E KS Engineers, P.C. (Newark, NJ)**  
With Subconsultants: PACO Technologies, Inc.; Envision Consultants, Ltd.; BRT Services; De Biasse & Seminara Architects, PC; Burns Engineering, Inc.; Stafford Bandlow Engineering, Inc.; VJ Associates of New Jersey, Inc.
- 17-044F The McKissack Group, Inc. (New York, NY)**  
With Subconsultants: ELLANA, Inc.; Integrated Strategic Resources, LLC; McKnight International; PACO Technologies; Radin Consulting, Inc.; SJH Engineering, PC; DACK Consulting Solutions, Inc.

**CONTRACT NO. 17-045 COMMUNITY TRANSPORTATION – 3 FIRMS**

- 17-045A RLS & Associates (Dayton, Ohio) (DBE) with**  
Subconsultants: Cambridge Systematics; Nelson/Nygaard Consulting Associates, Inc.; HAAS Media LLC
- 17-045B KFH Group (Bethesda, Maryland) (DBE)**
- 17-045C CH Planning Ltd. (Philadelphia, PA) (DBE)**

**CONTRACT NO. 17-046 VERTICAL TRANSPORTATION – 2 FIRMS**

**17-046A**      **Gannett Fleming (Newark, NJ)** with Subconsultants: A.G. Consulting Engineering, P.C.; ARCH2; Envision Consultants Ltd.; Matrix New World Engineering, Land Surveying, and Landscape Architecture, P.C.; Naik Consulting Group, P.C.; and SJH Engineering, P.C.

**17-046B**      **AECOM (Piscataway, NJ)** with Subconsultants: Naik Consulting Group, P.C.; A. Esteban & Company, Inc.; PACO Technologies; JCMS Inc.

**CONTRACT NO. 17-047 ACCESS LINK – 1 FIRM**

**17-047**      **KFH Group (Bethesda, Maryland)** with Subconsultant: Palo Consulting Group, LLC

**EXHIBIT B**

**CONTRACT AND TASK LIMITS  
(By Discipline)**

<b>Contract No.</b>	<b>Discipline</b>	<b>Task Limit</b>	<b>Contract Limit (Per firm)</b>
17-044	Construction Management	\$1,000,000	\$10,000,000
17-045	Community Transportation	\$450,000	\$2,500,000
17-046	Vertical Transportation	\$ 500,000	\$4,750,000
17-047	Access Link	\$ 400,000	\$2,000,000

**ITEM 1903-06: NJ TRANSIT RESILIENCE PROGRAM: LONG SLIP FILL AND RAIL ENHANCEMENT – CONSTRUCTION MANAGEMENT SERVICES**

**WHEREAS**, NJ TRANSIT's Long Slip Fill and Rail Enhancement Project area is located within the Hoboken Rail Yard along the Hudson River Waterfront along the boundary of southern Hoboken and northeastern Jersey City. The Long Slip Canal is a boat slip within Jersey City which was initially used as a shipping port but has not been active for over four decades; and

**WHEREAS**, the Hoboken Yard and the City of Hoboken suffered significant storm-surge from Superstorm Sandy on October 30, 2012, due in part to the speed with which wind-driven Hudson River water was able to travel up the Long Slip and enter the Yard, leading to more rapid and possibly deeper flooding than would have occurred had Long Slip not existed; and

**WHEREAS**, the Long Slip Fill and Rail Enhancement Project involves the filling of the Long Slip and the construction of new tracks on the filled area to serve ADA-accessible, high-level boarding platforms, as well as the construction of a passenger/rail personnel facility; and

**WHEREAS**, the Long Slip Fill and Rail Enhancement Project will support operations of commuter rail services to/from Hoboken Yard in advance of and immediately after a storm or other event, will be at an elevation above the FEMA base flood elevation as required, will allow for supplemental service to and from Hoboken Terminal during service disruptions elsewhere on the system, and will enable more efficient train operations under normal operating conditions; and

**WHEREAS**, the Long Slip Fill and Rail Enhancement Project will provide additional surge protection of Hoboken Yard equipment and infrastructure and reduce the potential of lesser storm surges that occur on a more frequent basis; and

**WHEREAS**, the Federal Transit Administration selected the Long Slip Canal Fill and Rail Enhancement Project to receive Disaster Relief Appropriations Act of 2013 funding through a competitive grant process; and

**WHEREAS**, on April 6, 2018, RFP No. 18-003 was advertised for the Construction Management Services for the Long Slip Fill and Rail Enhancement project; and

**WHEREAS**, upon completion of a competitive procurement process, it was determined that STV, Inc. was the most qualified responsive, responsible proposer; and

**WHEREAS**, the procurement of construction management services are required for the Long Slip Canal Fill and Rail Enhancement project; and

**WHEREAS**, the Federal Transit Administration and Transportation Trust Fund are the anticipated sources of funding for this project; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a "Race Neutral" Disadvantaged Business Enterprise (DBE) goal for this contract and STV, Inc. has identified 21.96 percent DBE participation;

**NOW, THEREFORE, BE IT RESOLVED**, that the Chair or Executive Director is authorized to enter into NJ TRANSIT Contract No. 18-003 with STV, Inc. for the Construction Management Services of the Long Slip Fill and Rail Enhancement Project at a cost not to exceed \$16,443,810.16, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1903-07: NJ TRANSIT RESILIENCE PROGRAM: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES AND ADDITIONAL ENGINEERING SERVICES**

**WHEREAS**, Hoboken Terminal and Yard is a major NJ TRANSIT terminal that serves nine NJ TRANSIT commuter rail lines, the Hudson-Bergen Light Rail (“HBLR”), Port Authority Trans-Hudson (PATH) rapid transit system, NJ TRANSIT bus service, and NY Waterway ferry services; and

**WHEREAS**, on October 29, 2012, Superstorm Sandy caused significant damage to Hoboken Terminal and Yard, including to the Terminal’s building facilities, substations and electrical assets, and key signals and communications equipment; and

**WHEREAS**, NJ TRANSIT is committed to advancing long-term recovery projects from Superstorm Sandy which will allow facilities and equipment to better withstand and recover from extreme weather events; and

**WHEREAS**, STV, Inc. is currently under contract with NJ TRANSIT following the completion of a competitive procurement process for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program; and

**WHEREAS**, STV, Inc. will continue progressing NJ TRANSIT’s Resilience Program by providing technical expertise for the restoration and repair work including construction assistance services and additional engineering services; and

**WHEREAS**, STV, Inc. will continue work on various components of the Hoboken Terminal restoration, including the Hoboken Boiler and Terminal Repairs Project, the Hoboken Wayside Power Project, the Hoboken Signal Power Repair Project and the Hoboken Facilities Power Distribution Systems Repairs Project, as well as coordination with other Hoboken area projects; and

**WHEREAS**, the Board previously authorized \$8,765,776 for STV, Inc. for the NJ TRANSIT Resilience Program at the Hoboken Terminal and Rail Yard Complex (Item 1303-07 – \$2,000,000; Item 1308-37 – \$3,500,000; Item 1409-41 – \$2,500,000 and Item 1706-17 - \$765,776); and

**WHEREAS**, in total, including prior STV, Inc. authorizations, the Board previously authorized \$117,401,206 under the NJ TRANSIT Resilience Program 2012 Task Order Consultant Contracts Program; and

**WHEREAS**, that \$117,401,206 authorization was used to support design, engineering, environmental permitting, construction assistance, program management, and other services across twelve prime contractors supporting immediate repair, repair and recovery, and resiliency projects; and

**WHEREAS**, a combination of Federal Transit Administration funds and The Port Authority of New York and New Jersey (PANYNJ) ferry lease funds are the anticipated sources of funding for this project; and

**WHEREAS**, NJ TRANSIT Office of Business Development established a 25% Disadvantaged Business Enterprise (DBE) goal for this contract;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with STV, Inc. (NJ TRANSIT Contract No. 13-006C) by \$3,970,000, for a maximum authorization amount of \$12,735,776 for this contract (NJ TRANSIT Resilience Program) and a maximum authorization amount of \$121,371,206 for the 2012 Task Order Consultant Contracts (NJ TRANSIT Resilience Program), subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**ITEM 1903-08: ADOPTION OF UNIFORM ETHICS CODE AND SUPPLEMENTAL CODE OF ETHICS**

**WHEREAS**, P.L. 2018, c. 162, § 2 (enacted on December 20, 2018 and codified at N.J.S.A. 27:25-4.1) requires the Board of Directors of the NJ TRANSIT Corporation to adopt a code of ethics, in consultation with the Chief Ethics Officer, applicable to each board member, officer, and employee that, at a minimum, includes the applicable standards established by State law; and


**WHEREAS**, the New Jersey Conflict of Interest Law (N.J.S.A. 52:13D-12, *et seq.*) establishes specific standards of conduct for State employees and officers and, pursuant to that law, the State Ethics Commission has issued a Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State Officers and employees in State agencies in the Executive Branch of State Government and to serve as the primary code of ethics for such agencies; and

**WHEREAS**, P.L. 2018, c. 162, § 2 also requires the Board of Directors to adopt a policy that provides guidelines for when it is appropriate for the Chief Ethics Officer to forward the results and findings of a preliminary investigation conducted by the Chief Ethics Officer to the State Ethics Commission, Office of the Attorney General, county prosecutor's office, or any other appropriate agency for further investigation or action;

**NOW, THEREFORE, BE IT RESOLVED** that, NJ TRANSIT hereby adopts the Uniform Ethics Code as Corporate-Wide Policy 2.03 (Exhibit A); and

**BE IT FURTHER RESOLVED** that, NJ TRANSIT hereby adopts Corporate-Wide Policy 2.03A Supplemental Code of Ethics (Exhibit B), to comply with other requirements imposed by P.L. 2018, c. 162, including providing guidelines for when it is appropriate for the Chief Ethics Officer to forward the results and findings of a preliminary investigation to the State Ethics Commission, Office of the Attorney General, county prosecutor's office, or any other appropriate agency for further investigation or action; and

**BE IT FURTHER RESOLVED** that, both the Uniform Ethics Code and the Supplemental Code of Ethics shall apply to all NJ TRANSIT board members, officers, and employees, agreement, and non-agreement.

 <b>CORPORATE-WIDE POLICY AND PROCEDURE</b>		NUMBER	EFFECTIVE DATE
		<b>2.03</b>	
		SUPERSEDES	
		<b>2.03 03/06/1995</b> <b>2.03 08/2010</b>	
MANUAL	SOURCE	KEY SUBJECT	
<b>General Administration</b>	<b>Corporate Compliance &amp; Ethics Administration</b>	<b>Ethics</b>	
TITLE			
<b>Uniform Ethics Code</b>			
KEY SUBJECT		APPROVAL(S)	
<b>All NJ TRANSIT Employees</b>			
<p>The New Jersey Conflict of Interest Law (<u>N.J.S.A. 52:13D-12</u>, <i>et seq.</i>) establishes specific standards of conduct for State employees and officers. Pursuant to that law, the State Ethics Commission has issued a Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive Branch of State Government and to serve as the primary code of ethics for such agencies. Additionally, P.L. 2018, c. 162 (effective December 20, 2018) requires that the Board of the NJ TRANSIT Corporation (hereinafter "NJ TRANSIT") adopt a code of ethics, in consultation with the Chief Ethics Officer, applicable to each board member, officer, and employee that, at a minimum, includes the applicable standards established by State law.</p> <p>In accordance with <u>N.J.S.A. 52:13D-23</u> and P.L. 2018, c. 162, NJ TRANSIT hereby readopts the Uniform Ethics Code, which shall apply to all NJ TRANSIT board members, officers, and employees, agreement and non-agreement.</p> <p style="text-align: center;"><b>Attachments*</b></p> <p>A. <a href="#">New Jersey Uniform Ethics Code</a></p> <p>B. <a href="#">Plain Language Guide to New Jersey's Executive Branch Ethics Standards</a></p> <p>* <b>These documents are located on the State Ethics Commission website. As the Commission may amend them from time to time, the official versions posted on the Commission's website shall be the governing documents.</b></p>			

Title	Number	Date	Page
<b>Uniform Ethics Code</b>	<b>2.03</b>		<b>2 of 2</b>

Cross-References:

- CWP 2.03A Supplemental Code of Ethics
- CWP 2.03B Code of Ethics for Vendors
- CWP 2.03C Political Activity (Hatch Act)
- CWP 2.16 Conscientious Employee Protection



PHILIP D. MURPHY  
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JOSEPH P. LASALA, Esq.  
*Chair*

MARK T. HOLMES, Esq.  
*Acting Executive Director*

## **UNIFORM ETHICS CODE**

### **FOREWORD**

Pursuant to *N.J.S.A. 52:13D-23*, the State Ethics Commission has adopted this Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State officers and employees in State agencies in the Executive branch of State Government.

The Uniform Ethics Code shall be the primary code of ethics for State agencies. It shall be supplemented by an agency code of ethics formulated with respect to the particular needs and problems of the agency to which said code is to apply. Each agency, in consultation with the Attorney General's Office, must review its enabling legislation to ensure that any agency-specific conflicts provisions are included in any supplemental agency code. An agency code must be approved by the Commission.

**TABLE OF CONTENTS**

I. DEFINITIONS .....3

II. GENERAL STANDARDS OF CONDUCT .....5

III. ACCEPTANCE OF GIFTS.....6

IV. ATTENDANCE AT EVENTS ..... 7

V. POLITICAL ACTIVITY .....8

VI. OUTSIDE ACTIVITIES AND BUSINESS INTERESTS ..... 8

VII. OFFICIAL STATIONERY .....10

VIII. POST-EMPLOYMENT RESTRICTIONS .....10

IX. RECUSAL ON OFFICIAL MATTERS ..... 12

X. CONTRACTS ..... 13

XI. RETIREMENT GIFTS.....15

XII. COMPENSATION FOR PUBLISHED WORKS.....15

XIII. FAMILY MEMBERS – CONFLICTS OF INTEREST .....16

XIV. CASINO-RELATED FAMILY MEMBER RESTRICTIONS .....17

XV. REPORTING COMPLAINTS .....18

XVI. PENALTIES.....18

APPENDICIES .....20

## I. DEFINITIONS

As used in this Uniform Ethics Code, and unless a different meaning clearly appears from the context, the following terms shall have the following meanings.

“Commission” means the State Ethics Commission, established in but not of the Department of Law and Public Safety pursuant to *N.J.S.A. 52:13D-21*.

“Conflicts Law” means the New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.*

“Ethics Liaison Officer” means the individual(s) designated by the agency head to assist the State Ethics Commission in implementing and enforcing the Conflicts Law and related ethics codes.

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official’s work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to the State official because of his or her official position.

“Gift” means any fee, commission, service, compensation, gratuity, or other thing of value of any kind. If an item has more than a nominal monetary value, it will be characterized as a gift. A gift includes admission to an event for which a member of the general public would be charged, a meal, transportation, or offer of employment.

“Head of a State agency” means, in the case of the Executive branch of government, except with respect to interstate agencies, the department head or, if the agency is not assigned to a department, the Governor.

“Immediate Family Member” means an individual’s spouse, child, parent or sibling residing in the same household. *N.J.S.A. 52:13D-13(i)*.

“Interest” means (1) the ownership or control of more than 10% of the profits or assets of a firm, association, or partnership, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L. 1969, c. 232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1% of the profits of a firm, association, or partnership, or more than 1% of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the “Casino Control Act,” P.L. 1977, c. 110 (C. 5:12-1 et seq.). The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

“Interested party” means: 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority

of the State official's agency; 2. Any supplier, or employee, representative or agent thereof; 3. Any organization that advocates or represents the positions of its members to the State official's agency;

or 4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

“Person” means any natural person, association or corporation.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic and sculptural matter; sound recordings; and software. *N.J.A.C.* 19:61- 6.2.

“Relative,” as used in section XIII, means an individual’s spouse, and the individual’s or his/her spouse’s parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half-brother, or half-sister, whether the relative is related to the individual or the individual’s spouse by blood, marriage or adoption.

“Special State officer or employee” means (1) any person holding an office or employment in a State agency, excluding an interstate agency, for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in a State agency, excluding an interstate agency, or (3) any person appointed as a New Jersey member to an interstate agency the duties of which membership are not full-time.

“State agency” means any of the principal departments in the Executive branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, and, to the extent consistent with law, any interstate agency to which New Jersey is a party and any independent State authority, commission, instrumentality or agency. A county or municipality shall not be deemed an agency or instrumentality of the State.

"State officer or employee" means any person, other than a special State officer or employee (1) holding an office or employment in a State agency, excluding an interstate agency, other than a member of the Legislature or (2) appointed as a New Jersey member to an interstate agency.

“Supplier” means any person that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to the State officer or employee’s or special State officer or employee’s agency, including, but not limited to, consultants, vendors and lessors.

“Unclassified office or position” means any office or position in the unclassified service of the civil service of the Executive branch of State government.

## **II. GENERAL STANDARDS OF CONDUCT**

It is essential that the conduct of public officials and employees shall hold the respect and confidence of the people. Public officials must, therefore, avoid conduct that is in violation of their public trust or that creates a justifiable impression among the public that such trust is being violated. Accordingly, State officers and employees and special State officers and employees shall conform their conduct to the following standards.

1. No State officer or employee or special State officer or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his/her duties in the public interest.
2. No State officer or employee or special State officer or employee should engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government without promptly filing notice of such activity with the Commission.
3. No State officer or employee or special State officer or employee should act in his/her official capacity in any matter wherein he/she has a direct or indirect personal financial interest that might reasonably be expected to impair his/her objectivity or independence of judgment.
4. No State officer or employee or special State officer or employee should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his/her acts that he/she may be engaged in conduct violative of his trust as a State officer or employee or special State officer or employee.

### **Misuse of Official Position or Information**

5. No State officer or employee or special State officer or employee should use or attempt to use his/her official position to secure unwarranted privileges or advantage for him/herself or others.
6. No State officer or employee or special State officer or employee, shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties. No State officer or employee or special State officer or employee shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties.

### **Representation/Appearance Before a State Agency**

7. No State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency. Nothing contained herein shall be deemed to prohibit any such partnership, firm or corporation from appearing on its own behalf.

8. No special State officer or employee, nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular office, bureau, board, council, commission, authority, agency, fund or system in which such special State officer or employee holds office or employment.

Nothing contained in this section shall be deemed to prohibit any State officer or employee or special State officer or employee from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding:

- i. Pending before any court of record of this State,
- ii. In regard to a claim for compensation arising under chapter 15 of Title 34 of the Revised Statutes (Workers' Compensation),
- iii. In connection with the determination or review of transfer inheritance or estate taxes,
- iv. In connection with the filing of corporate or other documents in the office of the Secretary of State,
- v. Before the Division on Civil Rights or any successor thereof,
- vi. Before the New Jersey State Board of Mediation or any successor thereof,
- vii. Before the New Jersey Public Employment Relations Commission or any successor thereof,
- viii. Before the Unsatisfied Claim and Judgment Fund Board or any successor thereof solely for the purpose of filing a notice of intention pursuant to P.L.1952, c.174, s.5 (C.39:6-65),or
- ix. Before any State agency on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided he is not holding any office or employment in the State agency in which any such proceeding is pending.

### **III. ACCEPTANCE OF GIFTS**

No State officer or employee or special State officer or employee shall accept any gift, favor, service or other thing of value related in any way to the State official's public duties.

Upon the recommendation of the Special Counsel for Ethics Review and Compliance, the Commission has adopted a zero tolerance policy for acceptance of gifts. (See *Report of the Special Ethics Counsel to the Governor of the State of New Jersey*, dated March 14, 2005.) Accordingly, any gift that is offered to or received by a State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or associate shall be immediately reported to the agency's Ethics Liaison Officer ("ELO"). Unless the State officer or employee or special State officer or employee is permitted to receive the gift or thing of value in accordance with the Commission's rules on attendance at events (see section IV), no State officer or employee or special State officer or employee or, his/her spouse, immediate family member, partner or

associate shall accept, either directly or indirectly, any gift, favor, service or other thing of value related in any way to the State official's public duties.

The exceptions to the zero tolerance rules for acceptance of gifts are set forth below.

1. Unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public may be retained by the recipient or the recipient's department for general use if such use does not create an impression of a conflict of interest or a violation of the public trust. The receipt of such complimentary articles is not required to be reported to the ELO.
2. A State officer or employee or special State officer or employee may receive a gift, favor, service or other thing of value from a vendor under the same terms and conditions as are offered or made available to members of the general public.
3. A State employee is permitted to give or receive a gift from a co-worker, a supervisor or a subordinate. The gift should not be excessive or inappropriate for a business environment. Such gift shall not be reported to the ELO.
4. In accordance with *N.J.S.A. 52:13D-24*, gift provisions do not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.

The procedures for reporting receipt of a gift are set forth in Appendix A.

#### IV. ATTENDANCE AT EVENTS

Attendance at an event that is sponsored or co-sponsored by an entity other than the State must be approved by the agency's ELO.

A State employee must complete the form identified as "Request for Approval For Attendance At Event," prior to attendance.

A State employee shall not attend an event in his or her official capacity unless a legitimate State purpose will be served.

Costs associated with attendance at an event shall be paid or reimbursed in accordance with *N.J.S.A. 52:13D-24* and *N.J.A.C. 19:61-6.1 et seq.*

A State employee is prohibited from accepting honoraria in connection with his/her attendance or participation at an event. *N.J.S.A. 52:13D-24*.

A State employee is prohibited from accepting entertainment, or reimbursement for entertainment, that is collateral to an event, such as a golf outing, tickets to a sporting event or a meal taken other than in a group setting with all attendees present.

The Commission's rules on attendance at an event and the form that must be completed prior to attendance at an event are set forth in Appendix B.

## V. POLITICAL ACTIVITY

Upon giving notice to the agency ELO, a State employee may be involved in political activities unless:

1. the State employee is prohibited from such activities by State or federal statute or agency rule; or
2. the political activity conflicts with the employee's official duties.

Pursuant to *N.J.S.A. 52:13D-14* and *N.J.S.A. 52:13D-24*, a State employee may accept a contribution to the campaign of an announced candidate for elective public office provided the contribution is not known to be given in lieu of a payment that is prohibited by the Conflicts Law. Further, a State employee is subject to the Department of Personnel's Administrative Code provisions governing political activity, *N.J.A.C. 4A:10-1.2*. Note that a State employee is not permitted to serve as a campaign treasurer on any campaign that is subject to the jurisdiction of the Election Law Enforcement Commission.

The Commission's Guidelines on Political Activities and the provisions of *N.J.A.C. 4A:10-1.2* are set forth in Appendix C.

## VI. OUTSIDE ACTIVITIES AND BUSINESS INTERESTS

No State officer or employee or special State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties.

A State officer or employee's participation in any service, activity or employment that is outside his/her official State duties may be prohibited by the Conflicts Law, other State or Federal law or regulation, or the code of ethics adopted by the employee's agency. Accordingly, a State officer or employee shall obtain the approval of the ELO prior to engaging in any of the following outside activities.

1. Commencement of any business, trade, profession or other compensated employment, including the acceptance of compensation for a speech or published work;
2. Uncompensated or volunteer work for or with any entity; or
3. Holding office or title in the governing or advisory board of any entity.

Notwithstanding the requirement to disclose outside employment and activities, a State agency may exempt disclosure of specific kinds of outside employment or activities if the agency is satisfied that such activity or employment does not present a conflict of interest.

A State officer or employee is not permitted to hold employment with, hold an interest in, or represent, appear for, or negotiate on behalf of a holder of or applicant for a casino license unless the Commission grants a waiver. A waiver is granted in circumstances where it is determined by

the Commission that such casino activity will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or the appearance of such conflict. A special State officer or employee is prohibited from holding an interest in or representing, appearing for or negotiating on behalf of a holder of or applicant for a casino license, or any holding or intermediary company with respect thereto, in connection with any matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment with a casino license holder or applicant and, if so employed, may hold an interest in or represent, appear for or negotiate on behalf of his/her casino employer. *N.J.S.A. 52:13D-17.2(b)*.

All State officers and employees shall complete the Outside Activity Questionnaire attached to this document as Appendix D, in accordance with the procedures adopted by his/her agency. These procedures shall, at a minimum, require that each current employee complete the questionnaire and that each new employee complete the questionnaire upon commencement of employment with the agency. The procedures shall also require that a State officer or employee amend his/her Outside Activity Questionnaire whenever there is a change in the employee's outside activity or State employment. A State agency shall require disclosure of additional information regarding the outside activities of its employees as necessary to address the particular needs and problems of the agency.

The agency ELO shall review all outside activity questionnaires and determine whether the outside activity is permissible in accordance with the Conflicts Law, the Uniform Ethics Code, the agency code of ethics or any other authority. A State officer or employee may appeal an agency ELO's decision to disapprove an outside activity. Such appeal shall be submitted in writing to the Commission within 60 days of the employee's receipt of the agency's decision. The appeal shall cite the relevant section(s) of the Conflicts Law, Uniform Ethics Code, agency code of ethics or other authority which supports the position of the employee that such outside activity should be permitted.

Each State agency shall develop a Conflict of Interest questionnaire for special State officers and employees of that agency. Each State agency shall develop a process for the review and retention of both Outside Activity Questionnaires and Conflict of Interest Questionnaires.

The Commission's Guidelines Governing Outside Activities are set forth in Appendix E.

### **Blind Trusts**

A blind trust may be used by a State officer or employee, a special State officer or employee, his/her spouse or domestic partner or dependent children to avoid conflicts situations caused by financial interests. The trust must conform to the standards set forth in the Blind Trust Guidelines, Appendix F.

## **VII. OFFICIAL STATIONERY**

Official stationery shall be used only in connection with the State agency's official business. The limitations on use of official stationery also apply to personal stationery paid for by an officer or employee if it is imprinted with the agency office or the title of the State officer or employee.

A State officer or employee or special State officer may not use official stationery to promote a candidate for elective office, endorse a State vendor or contractor, express a personal opinion on a matter that is not related to his/her official duties, or to promote his/her financial or other self-interest.

Exceptions: A State officer or employee or special State officer or employee may use official stationery to write a letter of recommendation for, or respond to an inquiry about, a current or former colleague or employee. These permissible uses are only acceptable so long as the use of official stationery does not create an impression that the State officer or employee is engaged in an unwarranted use of his/her position. For example, it would not be appropriate for a State employee to recommend an individual for inclusion in a program over which the State employee has supervisory or regulatory authority. In addition, there must be a reasonable connection between the officer's or employee's official duties and the use and purpose of the letter.

A State agency may not use official stationery to solicit a contribution from any interested party. Solicitation of any other entity must be reviewed and approved by the agency's ELO.

The Commission's Guidelines with respect to the use of official stationery are set forth in Appendix G.

## **VIII. POST-EMPLOYMENT RESTRICTIONS**

### **Seeking Future Employment**

State officers or employees who have direct and substantial contact with any interested parties must refrain from circulating resumes or in any manner seeking employment with those individuals or entities while still in State service. If an employee is solicited for potential employment by an entity with which he/she has direct and substantial contact, that solicitation must be disclosed immediately to the employee's management and to the agency's ELO. Employees who do not have direct and substantial contact with interested parties may circulate resumes and enter into discussions regarding potential employment with those individuals or entities so long as they avoid any situations that may give rise to an unwarranted advantage. All employees are cautioned that discussions, interviews, and negotiations shall not take place on State time.

### **Lifetime Ban**

At no time subsequent to the termination of his/her office or employment in any State agency may a former State officer or employee or special State officer or employee represent, appear for, negotiate on behalf of, or provide information or services not generally available to members of the public, or agree to perform any of those activities, for any party other than the State in connection with a specific cause, proceeding, application or matter with which the State officer or employee or special State officer or employee had been substantially and directly involved at any time during the course of his/her office or employment. *N.J.S.A. 52:13D-17*. This lifetime ban applies not only to the State officer or employee or special State officer or employee personally, but also to the partnership, firm or corporation under the following circumstances: (1) if the former State officer or employee or special State officer or employee is a shareholder, associate or professional employee of a firm organized as a professional service corporation or (2) if the former State officer or employee or special State officer or employee owns or controls more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm, association or partnership.

### **One-Year Ban – Certain State Officials**

In accordance with the recommendation of the Special Counsel for Ethics Review and Compliance, a one-year ban on the activities described in this section shall apply to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor’s Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

For one year after the termination of the State office or employment of any of the individuals noted above, he/she shall not represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party other than the State with or before any officer or employee of the State agency in which he/she served. The provisions of this subsection shall not apply to any partnership, firm or corporation in which he/she has an interest or is employed, or to any partner, officer, director or employee of such partnership, firm or corporation. Nothing contained in this section shall prohibit a State agency from contracting with a former State officer or employee to act on behalf of the State.

In addition, the governor and each head of a principal department in the Executive branch are prohibited, for one year after the termination of office or employment, from registering as a “governmental affairs agent,” as that term is defined in *N.J.S.A. 52:13C-20*. *N.J.S.A. 52:13C-21.4*.

### **Two-Year Casino Employment Restriction**

*N.J.S.A. 52:13D-17.2* sets forth post-employment restrictions applicable to State officers or employees subject to financial disclosure by law or executive order, and State officers or employees or special State officers or employees with responsibility for matters affecting casino activities.

Such persons, and members of their immediate families, are prohibited from holding, directly or indirectly, an interest in, or holding employment with, a casino licensee or applicant for a casino license for a period of two years following the termination of their State employment. In addition, such persons may not represent, appear for, or negotiate on behalf of a casino.

If such person or a member of the person's immediate family is employed by a partnership, firm or corporation providing professional services to a casino licensee or applicant or holding or intermediary company of the licensee or applicant, the entity may engage in casino-related matters but the person or a member of the person's immediate family must be screened from these matters for a period of two years following the termination of the person's State employment.

If such person holds an equity interest in such entity, or is the former Governor, Lieutenant Governor, or Attorney General or a member of the immediate family of one of these individuals, then the entity is also prohibited from representing, appearing for, or negotiating on behalf of a casino licensee or applicant.

### **Waivers**

In accordance with *N.J.S.A. 52:13D-17.2*, the Commission may grant an exception from the above casino employment restrictions for a person's immediate family member or an employee who was terminated as a result of a reduction in force, (provided that the employee did not hold a policy-making management position during the five years prior to termination of employment) whenever it determines that such waiver will not create a conflict of interest or the appearance of a conflict of interest.

The Commission's Guidelines with respect to Post-Employment Restrictions are set forth in Appendix H.

## **IX. RECUSAL ON OFFICIAL MATTERS**

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with the State officer or employee or special State officer or employee during the one year prior to the employee's commencement of State service.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she had any involvement in that matter, other than on behalf of the State, prior to commencement of his/her State service.

A State official is required to recuse himself or herself from an official matter that involves any individual, association, corporation or other entity from which the State official received a campaign contribution, individually or in the aggregate, in an amount required to be reported by *N.J.A.C. 19:25-10*. Recusal is required regardless of whether the State official is elected to the office or position associated with the campaign contribution. The recusal shall remain in effect until the expiration of the term of office which the State official was seeking when the contribution was made.

A State officer or employee or special State officer or employee is required to recuse him/herself on an official matter if he/she has a financial or personal interest that is incompatible with the proper discharge of his/her public duties.

An incompatible personal or financial interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to or involving a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to or involving a business associate or business investment; and a leadership role in a professional or trade organization, which interest might reasonably be expected to impair a State official's objectivity and independence of judgment in the exercise of his/her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he/she may be engaged in conduct violative of his/her trust as a State official.

Upon determining that a State official shall recuse him/herself on any matter, the State official shall execute the recusal in writing, and shall have no involvement with the subject matter of the recusal. If a State official cannot determine whether he/she should execute a letter of recusal in any matter, the State official shall contact his/her agency ELO or the Commission for guidance. A State official shall seek the advice of the State agency's counsel, agency ELO or the Commission as to the propriety of participation in a matter if any person requests that a State official recuse him/herself from that matter. Oral advice, followed up by a writing, shall be provided by the agency's counsel, the agency ELO or the Commission to avoid delay. Oral advice shall subsequently be memorialized by a writing or by inclusion in public minutes.

The Commission's regulations governing recusal, *N.J.A.C 19:61-7.1 et seq.*, which include the required elements for a written recusal, are set forth in Appendix I.

## **X. CONTRACTS**

With few exceptions, a State employee may not enter into a contractual agreement with the State.

An agency head, deputy head or assistant head is prohibited from engaging in any private business transactions with any employee in his/her agency.

### **Limitation on contracting by State officer or employee**

Pursuant to *N.J.S.A. 52:13D-19*, no State officer or employee shall knowingly undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency. The exceptions to this prohibition are set forth below. As used in this section, State officer or employee also includes his or her partners, any other person for the use or benefit of the State employee or on his or her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

### **Limitation on contracting by special State officer or employee**

Pursuant to *N.J.S.A. 52:13D-19*, no special State officer or employee who has duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency where he/she is employed or an officer shall knowingly undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by that State agency. The exceptions to this prohibition are set forth below. As used in this paragraph, special State officer or employee also includes his/her partners, any other person for the use or benefit of the special State employee or on his/her account or any corporation which he/she controls or in which he/she owns or controls more than 1% of the stock.

The restrictions contained above shall apply to the contracts of interstate agencies to the extent consistent with law only if the contract, agreement, sale or purchase is undertaken or executed by a New Jersey member to that agency or by his/her partners or a corporation in which he/she owns or controls more than 1% of the stock.

### **Permissible Contracts with the State**

(1) With the prior approval of the Commission, a State officer or employee or special State officer or employee is permitted to enter into the following:

(a) purchases, contracts, agreements or sales which are made or let after public notice and competitive bidding or which, in accordance with public bidding laws or regulations applicable to other State agencies, may be made, negotiated or awarded without public advertising for bids, or

(b) any contract of insurance entered into by the Director of the Division of Purchase and Property pursuant to *N.J.S.A. 52:27B-62*.

(2) A State officer or employee or a special State officer or employee or his partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a contract or agreement with a State agency where the contract or agreement is for the development of scientific or technological discoveries or innovations in which the State agency has a property right, if the State agency has a procedure in its code of ethics for authorizing these contracts or agreements that minimizes actual conflicts of interest, and the code of ethics was approved in accordance with *N.J.S.A. 52:13D-23*, and the contract or agreement complies with that code procedure.

(3) A State officer or employee or a special State officer or employee or his/her partners or any corporation or firm in which he/she owns or controls more than 1% of the stock, assets or profits may enter into a rental agreement with a State agency which operates a facility which rents space or provides services to assist small businesses which employ 50 people or less, pursuant to the same terms and conditions as those offered to members of the public generally.

**Please note that the Commission has never approved a request by a State officer or employee, or special State officer or employee, to enter into a contract with his/her own agency.**

The Commission's Guidelines on Privatization, set forth in Appendix J, are applicable to a State employee's participation in an open competitive bid process for the privatization of services currently being provided by his/her agency.

### **XI. RETIREMENT GIFTS**

A gift can be given to a State employee upon his/her retirement from State service. There are specific limits to the value of a permissible retirement gift. A State employee shall refer to Appendix K for the provisions governing retirement gifts.

### **XII. COMPENSATION FOR PUBLISHED WORKS**

A State officer or employee or special State officer or employee may not solicit, receive, or agree to receive, compensation from sources other than the State for published work(s) created as part of his/her official duties on State time and/or using State resources.

However, a State officer or employee or special State officer or employee, other than a "designated State officer," (the Governor, cabinet-level officers and other principal administrative officers of the State) may, in connection with any service, advice, assistance, appearance, speech or other matter related to his/her official duties, receive or agree to receive, whether directly or indirectly, from sources other than the State, reasonable fees for published works on matters within his/her official duties not created on State time and/or using State resources.

In addition, a State officer or employee or special State officer or employee may accept compensation from sources other than the State for published work(s) on matters unrelated to his/her official duties created on his/her own time and with non-State resources.

Before agreeing to accept or accepting any compensation from a source other than the State for any published work, a State officer or employee or special State officer or employee must secure his/her State agency's approval to do so.

In determining whether to grant such approval, the State agency shall consider, among other things, whether the compensation is offered by an interested party, and whether the published work uses or discloses information not generally available to the public. The determination shall be consistent with applicable law and agency policy.

No State officer or employee or special State officer or employee may use his/her official title in soliciting compensation for a published work.

The Commission's Guidelines with respect to Published Works are set forth in Appendix L.

### **XIII. FAMILY MEMBERS - CONFLICTS OF INTEREST**

1. No relative of the Governor may be employed in any unclassified office or position within the State.

2. No relative of a commissioner or department head may be employed in any unclassified office or position within the department over which the department head exercises authority.

3. A relative of an assistant or deputy department head may be employed in an unclassified office or position within the department in which the assistant or deputy serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.

4. A relative of a head or assistant head of a division within a department may be employed in an unclassified office or position within the department in which the division head or assistant division head serves, provided that he/she is not assigned to a position over which the assistant or deputy department head exercises authority.

5. A relative of an appointed member of a governing or advisory body of an independent authority, board, commission, agency or instrumentality of the State may not be employed in any office or position in that entity.

6. A relative of an appointed New Jersey member of a governing body of a bi-state or multi-state agency may not be employed in an office or position in that bi-state or multi-state agency, unless otherwise permitted by law.

7. No State officer or employee or special State officer or employee may supervise his/her relative, or exercise any authority with regard to personnel actions involving his/her relative

8. Each State agency shall require State officers and employees and special State officers and employees to disclose information sufficient for the agency to determine whether the employment of any individual within the agency is prohibited.

### **Cohabitation**

The Commission has determined that the prohibition regarding personnel actions and the supervision of family members, set forth in paragraph 7 above, is applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations.

### **Dating Relationship**

In the case of individuals involved in dating relationships, the Commission has found violations of the Conflicts Law in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship. Accordingly, a State officer or employee or special State officer or employee shall not have any involvement in his/her official capacity in any matter that pertains to or involves an individual with whom he/she has a dating relationship.

The Commission's guidelines with respect to "Official Interactions with Family Members/Cohabitants and Dating Relationships" is attached hereto as Exhibit M.

## **XIV. CASINO-RELATED FAMILY MEMBER RESTRICTIONS**

### **Concurrent Employment Restriction**

An immediate family member of a State officer or employee, or of any "person," as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of a holder of, or applicant for, a casino license, or any holding or intermediate company with respect thereto.

However, an immediate family member of a State officer or employee or "person" may be employed by a casino in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the State officer or employee or "person" and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(b)*.

### **Post-Employment Restriction**

An immediate family member of a "person," as defined at *N.J.S.A. 52:13D-17.2(a)*, may not hold, directly or indirectly, an interest in, hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any phase of casino development permitting, licensure, or any other matter related to casino activity, for a period of two years following the termination of the office or employment of such person.

However, an immediate family member of a "person" may be employed by a casino in circumstances where it is determined by the Commission that such employment will not interfere with the responsibilities of the "person" and will not create a conflict of interest or the appearance of such conflict. *N.J.S.A. 52:13D-17.2(c)(1)*.

Casino post-employment restrictions that apply to State officials defined as "persons" are noted in section VIII.

## XV. REPORTING COMPLAINTS

Allegations that a State officer or employee or special State officer or employee has violated a provision of this Uniform Code, the Conflicts Law, the Commission's rules, an agency code of ethics or any other standard within the jurisdiction of the Commission should be reported to the appropriate agency ELO or the Commission staff. Allegations should contain as much detailed information as possible and, if the complainant chooses to identify him/herself, should include contact information so that the ELO or Commission staff can obtain additional information if necessary. A complainant is not required to disclose his/her identity when reporting an alleged ethics violation.

## XVI. PENALTIES

The Commission is empowered to impose the following penalties in accordance with specific provisions of the Conflicts Law. Note that violations committed by a former State officer or employee or special State officer or employee may be subject to penalties so long as the Commission's investigation of same was initiated not later than two years following termination of service.

1. *N.J.S.A. 52:13D-17* provides that any person who willfully violates the general post-employment restrictions set forth in that provision is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations occurring after March 15, 2006, any former State officer or employee or former special State officer or employee found by the Commission to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

2. *N.J.S.A. 52:13D-17.2(h)* provides that any person who willfully violates the casino-related post-employment restrictions set forth in Section 17.2 (c) is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both. In addition, for violations of Section 17.2(c) occurring after March 15, 2006, any former State officer or employee or former special State officer or employee found to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 or more than \$10,000.

3. *N.J.S.A. 52:13D-21(i)* provides that any current or former State officer or employee or special State officer or employee found guilty by the Commission of violating any provision of the Conflicts Law, the Uniform Ethics Code, or any agency code of ethics, shall be fined not less than \$500 nor more than \$10,000, and may be suspended from office or employment by order of the Commission for a period not to exceed one year. In addition, for violations occurring after March 15, 2006, the State Ethics Commission may also order restitution, demotion, censure or reprimand.

This subsection further provides that if the Commission finds that the conduct of the officer or employee constitutes a willful and continuous disregard of the provisions of the Conflicts Law, the Uniform Ethics Code or any agency code of ethics, it may order that person removed from office or employment and may further bar the person from holding any public office or employment in this State in any capacity whatsoever for a period not exceeding five years from the date on which the person was found guilty by the Commission.

This subsection further provides that the Commission may impose a penalty of \$50 per day of violation for failure to file an appropriate financial disclosure statement required to be submitted to the Commission by law, regulation or executive order.

(See penalty provisions set forth at *N.J.A.C.* 19:61-3.1(j) and *N.J.A.C.* 19:61-5.6(c).)

4. *N.J.S.A.* 52:13D-23(d) provides that violations of the Uniform Ethics Code or any agency code of ethics shall be cause for removal, suspension, demotion or other disciplinary action by the State officer or agency having the power of removal or discipline. With respect to a person who is in the classified civil service, the procedure leading to such removal or discipline shall be governed by the Civil Service Act, *N.J.S.A.* 11A:1-1 et seq. and the Rules of the Department of Personnel. No action for removal or discipline shall be taken under this subsection except upon the referral or with the approval of the Commission.

5. *N.J.S.A.* 52:13D-26 provides that any person who willfully induces or attempts to induce a State officer or employee or special State officer or employee to violate any of the provisions of the Conflicts Law is a disorderly person, and shall be subject to a fine not to exceed \$500 or imprisonment not to exceed 6 months, or both.

**A-1**

**APPENDIX A**

**GUIDELINES GOVERNING RECEIPT OF  
GIFTS AND FAVORS**

1. Each department shall require full disclosure by employees to the office of the department head through the Ethics Liaison Officer upon receipt of a gift or any other thing of value related in any way to the State officer or employee's or special State officer or employee's public duties.
2. Each department should designate an Ethics Liaison Officer to monitor compliance with specific procedures under which officers and employees shall proceed upon receipt of a gift or any other thing of value related in any way to their public duties.
3. All officers and employees should be instructed that any gift or other thing of value offered to or by an officer or employee that is related in any way to his/her public duties must be reported and remitted immediately to the Ethics Liaison Officer. Similarly, any favor, service, employment or offer of employment from such person or corporation must be reported immediately.
4. The Ethics Liaison Officer shall return a gift or thing of value that is related in any way to an officer or employee's public duties to the donor or shall otherwise appropriately dispose of it.
5. Unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public may be retained by the recipient or the recipient's department for general use if such use does not create an impression of a conflict of interest or a violation of the public trust. An impression of a conflict may be created, for example, if an employee of a regulatory agency uses a pocket calendar conspicuously marked with the name of a company that it regulates or if an office in a State agency displays a wall calendar from a vendor, creating the impression of an endorsement.
6. The Ethics Liaison Officer will have the responsibility of keeping the records of all such occurrences; names of the employees, individuals, and companies involved, and the final disposition of the gift or thing of value.
7. The assistance of the Director of the State Ethics Commission will be available to all Ethics Liaison Officers to aid them in individual cases.

**B-1**

**APPENDIX B**

**SUBCHAPTER 6. ATTENDANCE AT EVENTS, ACCEPTANCE OF HONORARIA, ACCEPTANCE OF COMPENSATION FOR PUBLISHED WORKS, AND ACCEPTANCE OF THINGS OF VALUE**

19:61-6.1 Applicability

The rules in this subchapter apply to all State officials in the Executive branch of State government.

19:61-6.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Allowable entertainment expenses” means the costs for a guest speaker, incidental music and other ancillary entertainment at any meal at an event, provided they are moderate and not elaborate or excessive, but does not include the costs of personal recreation, such as being a spectator at or engaging in a sporting or athletic activity which may occur as part of that event.

“Approval” means, for the purposes of N.J.A.C. 19:61-6.4 and 6.5, written permission from the department head to attend and/or participate in an event; and/or to accept direct or indirect benefits in connection with attendance.

“Department head” means the administrative or executive head of the State official’s agency or his or her designee.

“Direct benefit” means acceptance by a State official from the sponsor of an event or any other person of travel, meals, accommodation, waiver of conference or event fee or any other costs associated with attending the event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

“Event” means a meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from the State official’s work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to the State official because of his or her official position.

“Indirect benefit” means acceptance by a State official from the event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the event for which no reimbursement is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

**B-2**

“Interested party” means:

1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the State official’s agency;
2. Any supplier, or employee, representative or agent thereof;
3. Any organization that advocates or represents the positions of its members to the State official’s agency; or
4. Any organization a majority of whose members are as described in paragraphs 1 through 3 above.

“Personal funds” means funds of a State official. It does not include funds that are loaned, advanced, promised or reimbursed to a State official for any purpose by an interested party.

“Published work” means any tangible medium of expression, including, but not limited to, literary, pictorial, graphic and sculptural matter; sound recordings; and software.

“Reasonable expenditures for travel or subsistence” means commercial travel rates directly to and from an event and food and lodging expenses which are moderate and neither elaborate nor excessive.

“Supplier” means any person that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to the State official’s agency, including, but not limited to, consultants, vendors and lessors.

“Thing of value” includes, but is not limited to, compensation; money; a stock, bond, note or other investment in an entity; employment, offer of employment; gift; reward; honorarium; favor; goods, service; loan; forgiveness of indebtedness; gratuity; property or real property; labor; fee; commission; contribution; rebate or discount in the price of any thing of value; an automobile or other means of personal transportation; entertainment; meal; or any other thing of value offered to or solicited or accepted by a State official in connection with his or her official position.

19:61-6.3 Granting of approval

(a) For the purposes of N.J.A.C. 19:61-6.4 and 6.5, when a department head grants approval to attend an event, the department head shall determine whether a legitimate State purpose will be served by attendance and shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code and the agency code of ethics, any applicable Executive Orders, the guidelines and rules of the Commission, any departmental administrative policies and any other relevant considerations. Relevant considerations include, but are not limited to:

1. The identity of the sponsor;
2. The purpose of the event;
3. The identity of other expected participants;

**B-3**

4. Whether attendance and/or participation in the event will assist the State official in carrying out his or her official duties and support the mission of the agency; and

5. The monetary value and character of the costs and benefits provided by the sponsor, including whether the costs and benefits are comparable to those offered to or purchased by other attendees.

(b) Approval shall be requested in writing on the form provided in N.J.A.C. 19:61-6.8. Such forms shall be retained by the State agency for a period of five years from the date of approval of the form.

(c) When an agency has numerous divisions or similar subunits with very diverse missions, the department head may request that the Commission permit that such divisions rather than the department State agency be treated as agencies for the purposes of this subchapter. The department head shall provide the Commission with information identifying the diversity of the missions of the divisions and justifying their separate treatment as agencies.

19:61-6.4 Attendance at an event sponsored by an interested party

(a) The State official shall secure the prior approval of the department head to attend such an event.

(b) Except as provided in (c) below:

1. The State shall pay the reasonable expenses of the State official associated with attending the event.

2. Neither the State official nor the State shall receive any direct or indirect benefit from any other source.

(c) The requirement and prohibition in (b) above need not apply if the event is designed to provide training, dissemination of information, or the exchange of ideas and the State official is making a speech, is participating in a panel at the event or is an accompanying resource person for the speaker and/or participant, subject to the reasonable approval of the department head. The direct or indirect benefit provided to the State official by the sponsor of the event may include the following:

1. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey;

2. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:

i. A nonprofit organization of which the State official is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State;

**B-4**

ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services; or

iii. Any agency of the federal government, any agency of another state or of two or more states, or any political subdivision of another state.

(d) If an actual conflict or the appearance of a conflict could arise under the application of (c) above, (b) above shall govern.

(e) Approvals granted under (c) above must be forwarded to the Commission for review.

(f) The State official may pay his or her own expenses with his or her personal funds.

(g) The State official shall not accept an honorarium or fee for a speech or presentation at an event covered by this section.

*Examples:*

An employee of the Department of Environmental Protection has been invited to attend a conference of the Association of Environmental Authorities and has been asked to present a short program to explain a new series of forms being proposed by the Department. The Association has offered to waive the \$200.00 conference fee; the conference program includes morning and afternoon refreshments and lunch. If the Department head approves the employee's attendance and participation in the conference, the employee may accept the waiver of the fee and the refreshments and meal included in the program. A copy of the Department head's approval must be forwarded to the Commission.

The Motor Vehicle Commission (MVC) is considering the purchase of new pollution testing equipment. One of the companies that plans to submit a bid invites several MVC employees to a demonstration of the equipment to be held at a hotel conference center. A seafood buffet will be served after the demonstration. With proper approval, the employees may attend the demonstration, but because the company plans to submit a bid to provide this equipment and is therefore an interested party with respect to the MVC, the employees may not partake of the seafood buffet at the expense of the vendor. The employees may, however, pay the cost of the buffet personally.

Three employees from different units of the Department of Transportation are responsible for weekly monitoring of a construction project. Each Friday morning, they meet with the contractor's representative at the site field office to review the week's progress and to assess projected schedules. The meetings generally last one to two hours; coffee is available, but no other refreshments or meals are served or offered. Because no direct or indirect benefits are offered or provided and because the meetings are part of the employees' job responsibilities, the meetings are not "events" for the purposes of this subchapter.

19:61-6.5 Attendance at an event sponsored by an entity other than an interested party

(a) The State official shall secure the prior approval of the department head to attend such an event.

**B-5**

(b) The State may pay the reasonable expenses of the State official associated with attending the event or may permit the State official to accept direct or indirect benefits. Direct or indirect benefits may include the following:

1. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence and allowable entertainment expenses associated with attending an event in New Jersey if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey;

2. Reimbursement or payment of actual and reasonable expenditures for travel or subsistence outside New Jersey, not to exceed \$500.00 per trip, if expenditures for travel or subsistence and entertainment expenses are not paid for by the State of New Jersey. The \$500.00 per trip limitation shall not apply if the reimbursement or payment is made by:

i. A nonprofit organization of which the State official is, at the time of reimbursement or payment, an active member as a result of the payment of a fee or charge for membership to the organization by the State;

ii. A nonprofit organization that does not contract with the State to provide goods, materials, equipment, or services; or

iii. Any agency of the federal government, any agency of another state or of two or more states, or any political subdivision of another state.

(c) An interested party shall not provide a direct or indirect benefit to the State official in order to facilitate his or her attendance.

(d) A State official making a speech or presentation at the event shall not accept an honorarium or fee from the sponsor.

(e) Under no circumstances shall a State official accept entertainment collateral to the event, such as a golf outing, or meals taken other than in a group setting with all attendees, or reimbursement therefore.

*Examples:*

An employee of the Commerce, Economic Growth and Tourism Commission has been invited, by the Mexican Tourist Bureau, an agency of the Mexican government, to attend a series of meetings on promoting tourism in both countries. The employee will be giving a speech at dinner on the final day of the meetings and has been offered a \$500.00 honorarium. The employee may attend the meetings but is not permitted to accept an honorarium in connection with his speech. He may accept, directly or by reimbursement, actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State, not to exceed the statutory limit of \$500.00.

A local non-profit organization would like to hold a dinner/fundraiser honoring a Technical Assistant at the Department of Insurance who has been a long-time supporter of the organization. The organization plans to use the Technical Assistant's picture, name and official title on the promotional literature. The Technical Assistant may attend the event but is prohibited from allowing such use of his official title for fundraising purposes.

**B-6**

19:61-6.6 Use of official title for private fundraising

A State official shall not permit the use of his or her official title for the purpose of fundraising for a private organization.

19:61-6.7 Compensation for published work(s)

(a) A State official shall not accept compensation for published work(s) created as part of his or her official duties on State time utilizing State resources, but may accept compensation for published works not created as part of his or her official duties.

(b) A State official shall secure the permission of the department head to accept compensation for published work(s) not created as part of his or her official duties. In determining whether such approval can be granted, the Department head shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code, the agency code of ethics, any applicable Executive Orders, the Commission's Guidelines for Secondary Employment, any other applicable guidelines or rules of the Commission, any applicable administrative policies of the agency, and the following conditions:

1. Whether compensation is being paid by an interested party;
2. Whether the published work(s) uses or discloses information not generally available to the public;

(c) The State official shall prepare the published work(s) on his or her own time, without using the services of other State officials or resources owned by the State.

(d) The State official shall not use his or her official title in any way in soliciting compensation.

*Examples:*

As part of his official duties, a Department of Transportation employee evaluates surveying equipment and trains Department employees on its use. The employee recently completed an in-depth evaluation of ten different types of surveying instruments and made a recommendation to the purchasing unit. The employee would like to publish the entire report in Transportation Magazine. He has been offered \$500 for the article. The Department must make a policy decision as to whether the article may be published. The employee is prohibited from accepting compensation for the article, even if the Department grants permission for the publication, since it was created as part of his official duties prepared on State time and utilizing State resources.

An Environmental Technician at the Department of Environmental Protection has been asked to write an article for an environmental journal on how New Jersey's automobile emission standards differ from those of Pennsylvania. He has been offered \$500 for the article. The Environmental Technician is permitted to publish the article and receive compensation since it is on a subject matter related to, but not a part of, his official duties, so long as he prepares the article at home, on his own time, without using any State resources.

B-7

19:61-6.8 Approval request form

(a) State officials shall use the following form to request approval to attend events.

**REQUEST FOR APPROVAL FOR ATTENDANCE AT EVENT**

DEPARTMENT OF \_\_\_\_\_

Name \_\_\_\_\_ Division \_\_\_\_\_

Title \_\_\_\_\_ Telephone \_\_\_\_\_ FAX \_\_\_\_\_

E-mail address \_\_\_\_\_

Event \_\_\_\_\_

Sponsor \_\_\_\_\_

Is the sponsor an "interested party"? Yes \_\_\_ No \_\_\_

Is the State official a speaker, panel participant or resource person? Yes \_\_\_ No \_\_\_

Is the sponsor an agency of the federal government, one or more other states or a political subdivision thereof?  
Yes \_\_\_ No \_\_\_

Is the sponsor a nonprofit organization? Yes \_\_\_ No \_\_\_

If Yes, is the employee or agency a member? Yes \_\_\_ No \_\_\_

Does the nonprofit organization have any contracts with the State? Yes \_\_\_ No \_\_\_

Location \_\_\_\_\_ Date(s) \_\_\_\_\_

Overnight accommodation required? Yes \_\_\_ No \_\_\_

Out-of-state travel required? Yes \_\_\_ No \_\_\_

Estimated cost? \$ \_\_\_\_\_

Agency to pay cost? Yes \_\_\_ No \_\_\_

Sponsor to pay cost? Yes \_\_\_ No \_\_\_

Employee to pay cost? Yes \_\_\_ No \_\_\_

Reason for attendance: \_\_\_\_\_

Will sponsor offer an honorarium or fee? Yes \_\_\_ No \_\_\_

\_\_\_\_\_  
Employee Signature Date

NOTE: Any substitutions or changes of circumstances must be reported.

\*\*\*\*\*

Attendance approved Yes \_\_\_ No \_\_\_ Note: Acceptance of honoraria or fees is not permitted.

Conditions: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature Date

C-1

APPENDIX C

**STATE EMPLOYEES' PARTICIPATION IN POLITICAL ACTIVITIES**

Summarized below are Commission cases addressing State employees' participation in partisan political activities. The Commission permits involvement in partisan political activities provided that there is no provision in the Departmental code of ethics prohibiting such activities. (Election Law Enforcement Commission, State Ethics Commission and several other agency codes have specific provisions prohibiting such activities.) State employees, however, may not use State time or State resources in pursuit of such activities and must provide notice to the Departmental Ethics Liaison Officer.

Two sections of the Conflicts Law, *N.J.S.A.* 52:13D-14 and 24, address the acceptance and/or solicitation of campaign contributions.

Section 14 provides:

No State officer or employee, special State officer or employee, or member of the Legislature shall accept from any person, whether directly or indirectly and whether by himself or through his spouse or any member of his family or through any partner or associate, any gift, favor, service, employment or offer of employment or any other thing of value which he knows or has reason to believe is offered to him with intent to influence him in the performance of his public duties and responsibilities. This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.

Section 24 provides:

a. No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift, honorarium, out-of-State travel or subsistence expense or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, except as authorized in this section.

...

c. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office, except that campaign contributions may not be accepted if they are known to be given in lieu of a payment prohibited pursuant to this section.

C-2

In Case No. 45-73, a member of the Commission on Legalized Games of Chance requested an opinion from the Commission as to whether the provisions of the Conflicts of Interest Law would restrict his involvement in political activities in the county where he resided. The Attorney General's Office was asked to review the request and issued an opinion which advised that the State official was permitted to engage in political activities, barring a prohibition against such activities in the Department's Code of Ethics.

In Case No. 201-75, the Commission referred a request for advice as to whether a member of a County Board of Taxation was permitted to become a candidate for and, if elected, hold an Assembly seat, to the Attorney General. Attorney General Opinion M75-2075 concluded that a member of a County Board of Taxation holds a State office of profit within the meaning of Article IV, Section V, Paragraph 4, of the New Jersey Constitution and, as such, was permitted to become a candidate for a seat in the Legislature, but, if elected, must resign as a County Board Member before taking his Legislative seat.

In Case No. 435-77, the Commission determined that a Department of Health employee was permitted to serve as chairman or co-chairman of a public employees' committee in support of a gubernatorial candidate. The State employee was cautioned that he must not use or attempt to use his official position to secure unwarranted privileges or advantages for the candidate of his choice. Further, he must be careful not to permit his political activities to conflict with the proper discharge of his duties in the public interest.

In Case No. 756-79, the Commission determined that it would not be a conflict of interest for a member of a County Board of Taxation to simultaneously serve as a Commissioner on the County Tax Board and hold the position of County Chairman of a political party in the same county.

In Case No. 972-81, the Commission determined that a Housing Finance Agency ("HFA") employee was permitted to run for municipal office in a municipality where housing projects sponsored by the HFA were located. The employee was cautioned that, if elected, she should not have any dealings with any project located in East Orange as long as she was a member of the Council.

In Case No. 987-81, the Commission affirmed the Department of Labor Ethics Committee determination that the employee's position as a Democratic State Committeeman and Member of the Warren County Democratic Committee as well as his candidacy for the Lopatcong Township Council did not constitute a violation of the Conflicts of Interest Law. The Commission also concurred with the caveats imposed by the Department prohibiting the use of State time, stationery and telephones by the employee for his political activities and further extended this prohibition to include any other State resources.

In Case No. 34-85, two members of the Board of Dentistry were advised that *N.J.S.A. 52:13D-24* expressly permits the solicitation and acceptance of campaign contributions for announced candidates for elective public office. The dentists were cautioned, however, about political activities which directly involve persons subject to licensure and review by the Board of

C-3

Dentistry. The dentists sent letters, on personal stationery, to thousands of New Jersey licensed dentists, to solicit re-election campaign funds for a New Jersey Assemblyman.

In May 1990, the Casino Control Commission ("CCC") requested an Advisory Opinion from the Commission as to whether certain political activities, if engaged in by members of the CCC, would violate ethical restrictions contained in the Casino Control Act or the CCC's Code of Ethics. Because this request involved a statutory interpretation, the Attorney General's Office was asked to review it. An Opinion was received which stated that, given the directive in the Casino Control Act that the CCC promulgate a code of ethics modeled upon the Code of Judicial Conduct, it appeared that without a legislative change to the Casino Control Act, members of the CCC were prohibited from those political and partisan activities that are prohibited by the Code of Judicial Conduct.

In Case No. 17-95, a County Superintendent of Elections employee was advised that she was permitted to run for a council seat in a partisan political election because her responsibilities as Program Coordinator involved only student voter registration, the planning of educational programs and the handling of press releases and correspondence. The employee had no responsibilities in connection with the election process. She was advised, however, that she should have no involvement with student voter registration activities in the municipality in which she was a council candidate.

In 1997, in Case No. 29-97, the Commission considered the effect of section 16(b) of the Conflicts Law on State officers and employees who serve as campaign treasurers. Section 16(b) prohibits State officers and employees from representing, appearing for or negotiating on behalf of, or agreeing to perform any of those activities for, a party other than the State in connection with any matter pending before any State agency. The Commission's precedent has established that signing reports, making telephone calls, attending meetings and/or responding to inquiries by a State agency on behalf of a third party are acts of representation. Campaign reports must be signed by the campaign treasurer and submitted to the Election Law Enforcement Commission ("ELEC"), a State agency, and in the event of a complaint to ELEC, the treasurer would be required to appear in person or respond in writing to ELEC's inquiry. Thus, a State officer or employee is prohibited from serving as a campaign treasurer because the treasurer's duties include representing the campaign organization and/or the candidate before ELEC.

In Case No. 07-01, a County Superintendent of Elections employee was advised that his proposed participation in his friend's campaign for municipal office was not appropriate under the application of section 23(e)(5), activity which might reasonably be expected to impair objectivity and independence of judgment, and section 23(e)(7), appearance of impropriety. In his official capacity, the employee supervised a staff of 53 employees, represented the Superintendent of Elections at necessary functions, and assisted voters and interested parties by providing requested records.

The employee expected to participate in the following political activities: door-to-door campaigning, participating in phone bank work, coordinating volunteers, giving instructions on

C-4

election procedures, staffing the campaign headquarters, participating in voter registration drives, attending rallies and fundraising events, and preparing mailings to registered voters.

In prohibiting the activity, the Commission balanced the State employee's interests with the public's interest in ensuring fair and unbiased elections.

In Case No. 05-03, the Commission considered an allegation that a Department of Community Affairs ("DCA") employee violated the Political Activities Prohibition of the DCA Code of Ethics when her name and picture appeared on a campaign mailer for a local mayoral candidate. The campaign mailer prominently featured the State employee in her capacity as a former mayor. It did not mention her role with the State and did not reference any relationship between the municipality and the DCA. Section XI, Political Activities Prohibition, of the DCA Code provides as follows:

An employee shall not directly or indirectly use or seek to use his authority or the influence of his position to control or modify the political action of another person. An employee during the hours of duty shall not engage in political activity; nor shall he at any other time participate in political activities, which would impair his usefulness in the position in which he is employed. A State employee retains the right to vote as he chooses and to express his opinions on political subjects and candidates.

The Commission dismissed the allegation, noting that Section XI of the DCA Code of Ethics specifically states that a State employee retains the right to express opinions on political subjects and candidates. The State employee exercised that right when she endorsed the candidate in his election campaign.

**Additional Restrictions.** The Department of Personnel has issued regulations that address the political activities of State employees. These regulations, which reference the Federal Hatch Act, are not administered or enforced by the Commission and are printed here for the reader's information and convenience.

***N.J.A.C. 4A:10-1.2 Political Activity***

- a. No employee in the career or senior executive service shall directly or indirectly use or seek to use his or her position to control or affect the political action of another person or engage in political activity during working hours. See *N.J.S.A. 11A:2-23*.
- b. No employee in the career, senior executive, or unclassified services whose principal employment is in connection with a program financed in whole or in part by Federal grants or loans, shall engage in any of the following prohibited activities under the Hatch Act (5 U.S.C. §§ 1501 et seq.):

C-5

1. Use official authority or influence for the purpose of interfering with or affecting the result of an election or nomination for office;
2. Directly or indirectly coerce, attempt to coerce, command, or advise a State, county, or municipal officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency, or person for political purposes; or
3. Be a candidate for elective office, if the salary of the employee is paid completely, directly or indirectly, by Federal grants or loans, except that this prohibition shall not apply to:
  - i. The Governor or Lieutenant Governor or an individual authorized by law to act as Governor;
  - ii. The mayor of a city;
  - iii. A duly elected head of an executive department of the State or a municipality, which office does not fall under the Civil Service Act at Title 11A, New Jersey Statutes; or
  - iv. An individual holding elective office.
- c. The office of the Special Counsel of the United States Merit Systems Protection Board has responsibility for the investigation of Hatch Act matters.

***N.J.A.C. 4A:2-5.1 General provisions***

- b. An appointing authority shall not take or threaten to take any action against an employee in the career service or an employee in the senior executive service with career status based on the employee's permissible political activities or affiliations. This subchapter shall also apply to State service employees in the unclassified service who do not serve in policy-making or confidential positions.

D-1

## STATE OF NEW JERSEY OUTSIDE ACTIVITY QUESTIONNAIRE

**Name:**

**Work Address:**

**Department:**

**Division/Bureau:**

**Telephone Number:**

**Civil Service Title:**

**Functional Title (if different):**

**Job Duties:**

1. Are you currently engaged in any business, trade, profession and/or part-time or full-time employment outside of or in addition to your State employment?

If yes, you must answer question 2. Yes      No

2. Name of Outside Employer(s) or Business(es). Please indicate if you are an owner, partner or corporate officer.

Address:

Type of Business:

Describe responsibilities:

Outside Employment (please specify):

Days Worked per Week:

Hours Worked: Per Day                      Per Week

Is your employment or business being performed for or with any other Department employee or official?

Yes      No

If yes, name of employee or official and title:

Does your outside employment or business require/cause you to have contacts with other NJ State agencies, vendors, consultants or casino license holders?

Yes      No

If yes, explain.



**D-3**

Family Member's Name

Relationship:

Name of Casino:

**I certify that this questionnaire contains no willful misstatement of fact or omission of material fact and that after it is submitted, any future activity subject to disclosure will be reported before I engage in such activity.**

Signature of Employee

Date

**Immediate Supervisor (check one)**

Approved

Disapproved

Signature:

Date:

Comments and/or reason for disapproval:

**Ethics Liaison Officer (check one)**

Approved

Disapproved

Signature:

Date:

Comments and/or reason for disapproval:

**Please provide the employee with a copy of the Approved/Disapproved Form.**

E-1

APPENDIX E

GUIDELINES GOVERNING OUTSIDE ACTIVITIES

These Guidelines present a comprehensive overview of decisions and policies of the State Ethics Commission concerning outside activities, both compensated and uncompensated. The Commission has addressed outside activities under the application of standards embodied in the New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.*: sections 16, representation, appearance or negotiation regarding a proceeding pending before a State agency; 17.2(b), State employee/family member relationships with casino applicants or licensees; 19, contracts with State agencies; 23(e)(1), interest in substantial conflict with official duties; 23(e)(2), licensed or regulated activities; 23(e)(3), unwarranted privilege; 23(e)(5), employment or service reasonably expected to impair objectivity and independence of judgment; 23(e)(7), appearance of impropriety; 24, receipt of thing of value for service related to official duties; 25, information not generally available to the public; and *N.J.A.C. 19:61-6.7(b)*, compensation for published works.

**Uniform Ethics Code.** Pursuant to Section VI of the Uniform Ethics Code, State officers and employees must obtain the approval of the agency Ethics Liaison Officer prior to engaging in any outside activity. An agency may find it administratively efficient to exempt disclosure of specific kinds of outside employment; for example, part-time work for businesses not related to the position of employment in the agency.

**Agency Code of Ethics.** Each State agency is required to promulgate a code of ethics to address the particular needs and problems of the agency. The agency code of ethics is a supplement to the Uniform Ethics Code and may prohibit certain types of outside employment.

Outside activities disapproved by a State employee's agency may be appealed to the Commission. Appeals should be directed in writing to the Executive Director, State Ethics Commission, 28 West State Street, P.O. Box 082, Trenton, NJ 08625.

**Review/Approval Process.** The following issues must be examined by the agency Ethics Liaison Officer in determining whether an outside activity can be approved. Does the outside position require representation before a State agency? Does the outside position involve a casino licensee or applicant for a casino license? Does the outside activity involve contracting with a State agency? Is there a significant overlap in the duties and responsibilities of the two positions? Does the State employee's agency have control, supervision, or jurisdiction over the outside entity? Does the outside entity receive grants from or contract with the State employee's agency? Does the outside activity involve a published work? Does the outside interest involve political activity? These Guidelines present summaries of past Commission cases, organized under the questions listed above. The case presentations are solely to provide examples of outside activities that have been addressed by the Commission. Also included are general explanations of the statutory provisions applicable to outside employment/volunteer activities.

E-2

**Does the Outside Position Require Representation Before a State Agency?** Section 16(a) of the Conflicts Law prohibits a special State officer or employee, or any partnership, firm or corporation in which he has an interest, from representing, appearing for, or negotiating on behalf of, or agreeing to perform any of the aforementioned, on behalf of any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the particular agency in which such special State officer or employee holds office or employment.

Section 16(b) of the Conflicts Law prohibits a State officer or employee, or any partnership, firm or corporation in which he has an interest, from representing, appearing for, or negotiating on behalf of, or agreeing to perform any of the aforementioned, on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before *any* State agency.

“Interest” is defined in section 13(g) of the Conflicts Law as (1) the ownership or control of more than 10% of the profits or assets of a firm, association, partnership, or more than 10% of the stock in a for-profit corporation, other than a professional service corporation or (2) the ownership or control of more than 1% of the stock in any corporation which is the holder of or applicant for a casino license or in any holding or intermediary company with respect thereto. In the case of a professional service corporation, the provisions governing the conduct of individuals are applicable to shareholders, associates or professional employees regardless of the extent or amount of their shareholder interest in such corporation.

Section 16(c) sets forth exceptions to the general prohibitions of sections 16(a) and 16(b). Those exceptions include matters (1) pending before any court of record in the State, (2) in regard to a workers’ compensation claim, (3) in connection with the determination or review of transfer, inheritance or estate taxes, (4) in connection with filing of corporate or other documents in the Office of the Secretary of State, (5) before the Division on Civil Rights, (6) before the State Board of Mediation, (7) before the Public Employment Relations Commission, (8) before the Unsatisfied Claim and Judgment Fund Board, (9) before any State agency on behalf of a county, municipality or school district or any authority, agency or commission thereof except where the State is an adverse party and provided the State employee does not hold office or employment in the State agency where the matter is pending.

**Engineers.** In Case No. 6-93, the Commission was asked to consider the extent of the section 16(b) prohibition in the case of a Department of Transportation Project Engineer. The Project Engineer requested an opinion as to whether his secondary employment performing dam inspections for private land owners and completing reports to be submitted to the Department of Environmental Protection and Energy (“DEPE”) constituted representational activity prohibited by section 16(b). The Commission determined that the preparation of the dam inspection reports, attendance at meetings at the DEPE, telephone conversations with DEPE employees regarding the reports and the submission of correspondence to DEPE on behalf of clients constituted representational activity prohibited by section 16(b) of the Conflicts Law. The Commission also determined that submission of the reports by the third-party clients would not mitigate the violation.

**E-3**

In several cases since 1993, the Commission has found that State employees who sign documents, make telephone calls or submit correspondence in connection with matters pending before a State agency are in violation of section 16.

**Tax Preparers.** The Commission has addressed the issue of whether a State employee's outside employment preparing State income tax returns is violative of section 16(b) of the Conflicts Law on a number of occasions (Cases No. 619-77, 830-79, 828-79, 908-80). In these cases, the Commission permitted the State employees to continue their outside employment as tax preparers, but advised them that they had an obligation to inform clients that in the event of a dispute, the State employees could not appear before the Division of Taxation or any other State agency. In 1993, the Commission revisited the issue, determined that the preparer's signature on the State tax return does not constitute representational activity, and confirmed its earlier rulings.

**Attorneys.** In Case No. 48-89, a Member of the Statewide Health Coordinating Council ("SHCC") requested advice from the Commission as to the applicability of Section 16(a) of the Conflicts Law to her situation. The Member secured employment in the health care department of a New Jersey law firm and asked what effect her employment with the firm would have on the firm and its clients. The firm, a partnership, represented providers of healthcare goods and services before the Department of Health, the SHCC, and other related public bodies. The Member's status with the firm was that of employee; she had no interest in the firm as defined in section 13(g) of the Conflicts Law.

The Commission advised the Member that section 16(a) prohibited her from representing, appearing for, or negotiating on behalf of any party other than the State in connection with any matter pending before the SHCC. This prohibition did not extend to the law firm because the Member had no interest in the firm.

In Case No. 394-76, the Commission considered whether it would be a conflict of interest for a Project Specialist, Department of Health ("DOH"), to maintain a part-time law practice out of his home. In his official capacity, the employee was responsible for developing and evaluating a rate system for payment of hospital costs based on diagnostically related illness. The Commission determined that the DOH employee was permitted to engage in the outside practice of law with the understanding that he refrain from representing any person or party, including non-New Jersey governmental agencies, in any case related to rate-setting in health care facilities or other providers of medical care. This would avoid any possibility that decisions or conclusions rendered in such a case could be used to challenge the rate systems in New Jersey. The DOH employee had voluntarily agreed that he would not represent any health care facilities or other providers of medical care within the State while employed by the DOH.

In Case No. 355-76, Administrative Assistant, Child Care Licensing Section, Division of Youth and Family Services, Department of Human Services, the Commission determined that no conflict existed between the Administrative Assistant's State position and his private law practice provided that he refrain from offering services in any child, family, or licensing matters in which DYFS was involved or might be involved.

E-4

**Campaign Treasurer.** In Case No. 29-97, the Commission determined that, under the operation of section 16(b) of the Conflicts Law, State employees are prohibited from acting as campaign treasurers because campaign reports signed by them must be submitted to the Election Law Enforcement Commission (“ELEC”), and, in the event of a complaint to ELEC, a State employee would be required to appear in person or respond in writing to ELEC’s inquiry.

**Does the Outside Position Involve a Casino Licensee or Applicant for a Casino License?**

**State Officer or Employee.** A State officer or employee, other than a State officer or employee included in the section 17.2(a) definition of “person,” may hold employment with the holder of or applicant for a casino license only if the Commission grants a waiver. A waiver of the prohibition can be granted if, in the Commission’s judgment, such employment will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest. Waivers may be sought by contacting the Commission.

**Family Members.** Members of the immediate family of a State officer or employee, or of a person, may also hold employment with the holder of or applicant for a casino license by obtaining a waiver from the Commission. An immediate family member is defined as a spouse, child, parent or sibling residing in the same household.

**Does the Outside Activity Involve Contracting With a State Agency?** Section 19(a) of the Conflicts Law prohibits a State officer or employee or from entering into a contract, valued at \$25 or more, with any State agency. A special State officer or employee having any duties or responsibilities in connection with the purchase or acquisition of property or services by the State agency is restricted from contracting with his/her agency. This prohibition also extends to partners or any corporation which the State officer or employee or special State officer or employee controls or in which he owns or controls more than 1% of the stock.

Section 19 exempts only three categories of contracts from this general prohibition: (1) contracts made after public notice and competitive bidding; (2) contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10* or similar provisions; and (3) contracts of insurance entered into by the Director of the Division of Purchase and Property, Department of the Treasury, pursuant to *N.J.S.A. 52:27(b)-62*.

State employees must receive the approval of the Commission prior to contracting under any of the section 19(b) exceptions. The Commission has approved many requests over the years by State employees to bid on contracts that are subject to public notice and competitive bidding. Such requests are generally approved if the contract in question is not with the State employee’s own agency. The Commission has relied on section 23(e)(7), the appearance section of the statute, in limiting a State employee’s participation in the contracting process when the contract is with his/her own agency.

E-5

The Commission has also granted approval for contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10*, where the State employee is the sole source of supply for a particular good or service. *N.J.S.A. 52:34-10* also exempts purchases from the federal or any State government or any agency or political subdivision thereof; public exigency; contracts where more favorable terms can be obtained from a primary source of supply; seasonal articles or wearing apparel; where commodities traded on a national commodity exchange are to be purchased and fluctuations of the market require immediate action; or the equipment to be purchased is of a technical nature and procurement without advertising is necessary in order to assure standardization of equipment and interchangeability of parts.

In Case No. 7-91, the Commission for the Blind and Visually Impaired (“CBVI”) requested that the Commission approve an exception to section 19 to permit the CBVI to contract with a State employee for the development of a computer software package. The State employee was identified by the CBVI as the sole source of supply for generating this program. The Commission approved the contract, pursuant to *N.J.S.A. 52:34-10*, with the understanding that all work would be performed on the State employee’s own time and without the use of State resources.

In 1992, the Commission considered whether a Department of Human Services caseworker could continue to perform psychosocial evaluations of juvenile inmates for the Department of Corrections (“DOC”), Case No. 30-92. The Commission determined that section 19 permitted dual employment by two different State agencies but did not permit personal service contracts. The Commission determined that caseworker’s arrangement with the DOC was a personal service contract that did not fall within the exception of section 19(b). They noted that while it was a contract that could be awarded without public notice and competitive bidding, the authority for such an award was *N.J.S.A. 52:34-9*; section 19(b) only allows contracts which are awarded pursuant to *N.J.S.A. 52:34-10*.

In Case No. 25-94, the Commission considered whether a Statistical Engineer, Bureau of Materials Engineering, Department of Transportation, was permitted, under section 19, to provide photography services to the State Museum and other State agencies. The Commission determined that the Statistical Engineer could not contract with the State Museum to perform photography work because the contracts were not subject to public notice and competitive bidding and did not fall within the exceptions of *N.J.S.A. 52:34-10*.

In Case No. 15-99, the Commission affirmed a Department of Human Services (“DHS”) decision that a DHS employee was prohibited, under section 19 of the Conflicts Law, from serving as a pool attorney for the Office of the Public Defender (“OPD”). The OPD uses the services of licensed New Jersey attorneys to handle “pool” cases, cases that have multiple defendants or cases that employees of the OPD cannot handle because of the volume or backlog of work or a conflict of interest. The DHS employee appealed to the Superior Court, Appellate Division, which upheld the Commission’s decision.

E-6

**Licensed or Regulated Activities.** Pursuant to section 23(e)(2) of the Conflicts Law, all occupational, trade, business, or professional licenses issued by a State agency must be reported to the Commission. Such licenses include, but are not limited to, attorney, physician, nurse, pharmacist, engineer, real estate, insurance, private detective, and teacher. If the license is inactive, please so note. As is the case with any secondary employment activity, a State employee must receive the prior approval of the agency Ethics Liaison Officer prior to any outside use of a professional license.

**Is There a Significant Overlap in the Duties and Responsibilities of the Two Positions?** In Case No. 40-91, the Commission considered an appeal by the Director of Social Services, Office of Public Guardian (“OPG”), Department of Community Affairs (“DCA”), that her proposed pursuit of a private practice as an “Eldercare Consultant” was incompatible with her State position of Director of Social Services, OPG. The DCA Ethics Committee denied the secondary employment based on the fact that the two positions dealt with the same general area, the duties and responsibilities of the two positions were similar, and the possibility existed that there were individuals, organizations, and entities that the DCA employee might deal with in both positions. The Commission confirmed the ruling of the DCA Ethics Committee. The Commission reviewed the situation under sections 16(b), 23(e)(3), (5) and (7) of the Conflicts Law.

In Case No. 769-79, the Commission considered whether it would be a conflict of interest for the Coordinator, Government and Small Business Aids, Division of Economic Development, Department of Labor and Industry, to serve as a trustee of a local development corporation designed to help small businesses on a local level. The Commission noted that it appeared that the Coordinator would be providing on a local level the same service that he was authorized to offer in his State position. Moreover, it would not be unreasonable to expect that he would review applications for State aid submitted by the small businesses he had assisted on a local level. The Commission determined that it would be a conflict for the Coordinator to hold his present State position and concurrently serve as a trustee of the local development corporation. The Commission cited section 23(e)(5) in its determination.

In Case No. 1127-82, the Commission considered an appeal by the Assistant Chief of Vital Statistics and Registration, Department of Health (“DOH”), from a determination by the DOH that he should discontinue activities in connection with a company owned by him and a co-worker. The company sold vital records binders to municipalities for use by local registrars for the purpose of filing original vital records. In his official capacity, the State employee was responsible for assisting and instructing local registrars in a number of matters including maintenance of vital records files. His partner had even more contact with local registrars in that he was responsible for supervising and training vital statistics field personnel who provided technical assistance and guidelines to them. He further was responsible for conducting inspections of offices of local registrars to ensure compliance with federal and State laws and to ensure the proper maintenance of records. The Commission upheld the DOH’s determination that the sales activity had sufficient relationship to their official responsibilities so as to come within the prohibition of section 23(e)(5).

E-7

**Does the State Employee’s Agency Have Control, Supervision, or Jurisdiction over the Outside Employer?** In numerous cases, the Commission has determined that State employees cannot engage in secondary employment when their activities are subject to regulation or inspection by the agency for which they work.

In Case No. 20-92, a Public Health Representative 1, Office of Emergency Medical Services (“OEMS”), Division of Health Facilities Evaluation and Licensing (“DHFEL”), Department of Health (“DOH”), appealed a decision of the DOH Ethics Committee that her secondary employment as a per diem evening shift nursing supervisor at a local hospital constituted a conflict of interest with her Departmental employment. The OEMS is responsible for certifying and conducting routine inspections of hospital-based Mobile Intensive Care Unit programs.

In her capacity as an evening nursing supervisor at the hospital, the DOH employee was the on-site administrator in charge of the hospital during her shift. She had received approval from her supervisor prior to accepting the outside employment. Subsequent to that approval, OEMS was transferred to the DHFEL. The DHFEL is responsible for licensing health facilities in the State and for conducting inspections of the facilities to ensure compliance with statutory and regulatory requirements. The Commission found that the DOH Ethics Committee had balanced the integrity of the DOH’s inspection system against the employee’s ability to pursue part-time employment and affirmed the ruling of the Committee and the policy prohibiting such activities. The Commission reviewed the situation under sections 23(e)(5) and (7) of the Conflicts Law.

In Case No. 26-92, the Commission concurred with the Department of Law and Public Safety that a Safety Specialist, Division of Motor Vehicles (“DMV”), could not engage in outside employment repairing small holes, chips and cracks in automobile windshields because his customers would be subject to DMV inspection.

In Case No. 24-97, a Conservation Officer III, Division of Fish, Game and Wildlife, Department of Environmental Protection (“DEP”), appealed the DEP’s denial of his secondary employment request to participate in the commercial harvest of eels/elvers. The DEP, through the Division, regulates and oversees New Jersey’s freshwater fisheries and regulates the commercial harvest of elvers. The DEP employee, in his official capacity, spent between 40 and 60 percent of his enforcement hours working on elvering enforcement during the season. The Commission concurred with the DEP’s decision that the employee be denied permission to engage in the commercial harvest of eels/elvers. The Commission reviewed the situation under sections 23(e)(1), (4), (5), and (7) of the Conflicts Law.

**Does the Outside Entity Receive Grants from or Contract with the State Employee’s Agency?**

In July 2000, in Case No. 20-00, the Commission determined that, in the absence of enabling legislation, code of ethics or other applicable guidelines, regulations, or policies that prohibit such activity, that all outside employment situations involving grant or contractual relationships take into account the following factors, in addition to the other factors set forth in these Guidelines, in determining whether approval may be granted.

**E-8**

- Whether the position in question was created as a result of the State grant or contract.
- Whether the State employee is in a policymaking or decisionmaking position.
- Whether the State employee had any involvement in the drafting or review of the RFP, the award of the grant, negotiation of the contract, or has oversight responsibilities in connection with the grant or contract.
- Whether the State employee, in his/her official capacity, has authority to refer clients to the outside entity.
- Whether the outside position is in the same geographic area as the employee's State position.
- Whether the State employee has had or can be expected to have any official interaction with the grant recipient or contractor in his/her official capacity.

In Case No. 20-00, the Commission noted that its previous decisions regarding special State officers remained unchanged. Board and commission members make policy, establish grant criteria, review proposals, make decisions, oversee grants and can be expected to have official interaction with the grant recipient(s). Thus, special State officers cannot represent parties before their agencies, cannot receive funding, directly or indirectly, from their agencies, and cannot provide services for agency-funded programs.

**Published Works.** Under N.J.A.C. 19:61-6.7(b), section 24 of the Conflicts Law, and Commission precedent, a State employee may accept compensation for published works under the following conditions.

- There is no prohibition governing such activity in the Department's enabling legislation or Code of Ethics.
- The State employee must obtain prior approval from his/her Department head.
- The published work must not use or disclose information not generally available to the public.
- The State employee must not use State time or resources in connection with the published work.
- The State employee must not use his/her official title in connection with publication or promotion of the published work.
- The State employee cannot promote, advertise or solicit sales of the published work to co-workers or individuals with whom he/she has official dealings.

**E-9**

- The State employee may not contract to sell the published work to the State except in compliance with section 19 of the Conflicts Law.
- The published work must not have been prepared as part of the State employee's official duties.

In addition, under the current rule, the receipt of compensation from an "interested party" is not prohibited, but is a factor to be considered in deciding whether to grant approval.

In Case No. 255-75, the Commission considered whether employees of the Public Broadcasting Authority ("PBA") could receive a compensation fee for journalistic work used on a commercial station. Various journalists employed full-time by the PBA were approached for the use of news items that they wrote during the hours that they were employed by the State. These scripts, films or tapes were being used on commercial TV channels. The commercial stations wished to compensate the journalists for the use of their work. The Commission determined that it would be a violation of section 24 of the Conflicts Law for State employees to receive compensation from any source other than the State for news items created as part of their official duties.

In Case No. 3-84, the Commission found that the Supervising Program Development Specialist, Bureau of Research, Division of Youth and Family Services ("DYFS"), Department of Human Services ("DHS"), could not accept a cash award from a gerontological society for a paper prepared by him as a DYFS employee.

The DHS was awarded a grant to study abuse of the elderly. Because of his experience in the field of gerontology, the State employee was assigned the task of preparing a paper on the subject as part of his official duties. The paper was prepared entirely on State time with grant monies administered by the State. The State employee then submitted the paper for consideration for an annual research award and was the recipient of that award. The Departmental Ethics Review Board concluded that the acceptance of the cash award was violative of the Department's Code of Ethics. The Commission noted that the employee had solicited the award and affirmed the DHS' determination. The State employee appealed the Commission's decision to the Superior Court, Appellate Division, which upheld the Commission's determination.

In 1997, the Department of Law and Public Safety requested an opinion as to whether a Division of Law Deputy Attorney General ("DAG") was permitted to co-author a book about psychics and the paranormal, Case No. 3-97. The DAG wanted to write the book in her private capacity and use her married name (she is known by her maiden name in her employment with the Department). The Commission determined that the DAG was permitted to co-author the book under the following conditions: that she not refer to her status as a DAG or member of the Department; that she not permit the use of her title or employment in connection with publication or promotion of the book; that she not write about an active case or use information not generally available to the public; that she avoid any legal analysis that could be interpreted as Division of

**E-10**

Law work product; that she not use State time or resources in connection with her outside activity.

In Case No. 34-98, the Commission determined that the Managing Actuary, Division of Life and Health, Department of Banking and Insurance ("DOBI"), was permitted to co-author and market a study guide utilized by students preparing to take the Society of Actuaries ("SOA") professional examination under the Commission's rules, precedent, the Conflicts of Interest Law and the DOBI Code of Ethics. In approving the activity, the Commission took into account the following factors: the study guide is sold nationally and not just to New Jersey exam registrants, the employee co-authored the book while at Temple, uses only his name and not his official title in connection with the study guide and does not directly solicit regulated entities.

Additional examples of published works situations that have been addressed by the Commission can be found under "Published Works" at [http://nj.gov/ethics/statutes/guide/published\\_works.html](http://nj.gov/ethics/statutes/guide/published_works.html).

**Political Activity.** The Commission permits involvement in partisan political activities provided that there is no provision in the agency code of ethics prohibiting such activities. State employees, however, may not use State time or State resources in pursuit of such activities and must notify their Departmental Ethics Liaison Officer. The Department of Personnel has issued regulations that address the political activities of State employees. These regulations, which reference the Federal Hatch Act, are not administered or enforced by the Commission.

In Commission Case No. 435-77, the Commission determined that a Department of Health employee was permitted to serve as chairman or co-chairman of a public employees' committee in support of a gubernatorial candidate. The State employee was cautioned that he must not use or attempt to use his official position to secure unwarranted privileges or advantages for the candidate of his choice. Further, he must be careful not to permit his political activities to conflict with the proper discharge of his duties in the public interest.

In Commission Case No. 34-85, two members of the Board of Dentistry were advised that *N.J.S.A. 52:13D-24* expressly permits the solicitation and acceptance of campaign contributions for announced candidates for elective public office. The dentists were cautioned, however, about political activities which directly involve persons subject to licensure and review by the Board of Dentistry. The dentists sent letters, on personal stationery, to thousands of New Jersey licensed dentists, to solicit re-election campaign funds for a New Jersey Assemblyman.

Additional examples of political activity situations that have been addressed by the Commission can be found under "Political Activities" at [http://nj.gov/ethics/statutes/guide/political\\_activities.html](http://nj.gov/ethics/statutes/guide/political_activities.html).

**Prohibited Outside Activity – Certain Officials.** Section 24d.(1) of the Conflicts Law prohibits certain designated State officers from soliciting, receiving or agreeing to receive, whether directly or indirectly, any compensation, salary, honorarium, fee, or other form of

**E-11**

income from any source, other than the compensation paid or reimbursed to him/her by the State for the performance of official duties, for any service, advice, assistance, appearance, speech or other matter, except for investment income from stocks, mutual funds, bonds, bank accounts, notes, a beneficial interest in a trust, financial compensation received as a result of prior employment or contractual relationships, and income from the disposition or rental of real property, or any other similar financial instrument and except for reimbursement for authorized travel.

For the purposes of this provision, designated State officer includes: the Governor, the Adjutant General, the Secretary of Agriculture, the Attorney General, the Commissioner of Banking and Insurance, the Secretary and Chief Executive Officer of the Commerce and Economic Growth Commission, the Commissioner of Community Affairs, the Commissioner of Corrections, the Commissioner of Education, the Commissioner of Environmental Protection, the Commissioner of Health and Senior Services, the Commissioner of Human Services, the Commissioner of Labor and Workforce Development, the Commissioner of Personnel, the President of the State Board of Public Utilities, the Secretary of State, the Superintendent of State Police, the Commissioner of Transportation, the State Treasurer, the head of any other department in the Executive Branch, and the following members of the staff of the Office of the Governor: Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel to the Governor, Director of Communications, Policy Counselor to the Governor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

Note also that, pursuant to Section X of the Uniform Ethics Code, an agency head or assistant head is prohibited from engaging in any private business transactions with any employee of his/her agency.

**General Caveats.** The Commission generally provides the following advice to individuals with approved outside activities. State time cannot be used for outside activities. State resources, including but not limited to telephones, facsimile machines, e-mail, copy machines, mail service and office supplies, cannot be used for outside activities. Coworkers and/or individuals with whom the State employee comes in contact in his/her official capacity cannot be solicited as clients for outside activities, including but not limited to real estate services, cosmetic sales, consulting services, and legal services. State employees are also prohibited from referring clients to any firm with which they are associated.

**F-1**

**APPENDIX F**

**Blind Trusts**

1. For those situations where a blind trust may be utilized by a State officer or employee or special State officer or employee, his/her spouse or domestic partner or dependent children, and approved by the Commission, such trust shall contain the following characteristics:

a. The trust shall not contain investments or assets in which the holder's ownership right or interest is required to be recorded in a public office or those assets whose permanency makes transfer by the trustee improbable or impractical; these investments or assets would include, but not be limited to, businesses, real estate, security interests in personal property and mortgages;

b. The trust shall contain a clear statement of its purpose, namely, to remove from the grantor control and knowledge of investment of trust assets so that conflicts between grantor's responsibilities and duties as a public employee or public officer and his or her private business or financial interests will be eliminated;

c. The trust shall be irrevocable, and shall be terminated only upon the death of the public employee or public officer or upon termination of his or her status as a public employee or public officer whichever shall first occur;

d. The trustee shall be directed not to disclose to the grantor any information about any of the assets in the trust;

e. The trustee shall be required either to:

(1) prepare and file the grantor's personal income tax returns, withholding from distribution of the trust's net income amounts sufficient to pay the grantor's tax; and further to participate in the audit of the grantor's returns during the period of the trust with authority to compromise the grantor's tax liability; or

(2) submit to the grantor, for income tax purposes, a certification of income paid without identifying the assets producing such income;

f. Among its other powers, the trustee shall have authority to determine whether any of the assets originally transferred to the trustee are to be sold and, if so, when;

g. A provision shall be included in the trust agreement prohibiting the trustee from investing the trust property in corporations or businesses which do a significant amount of business with the State of New Jersey or from knowingly making any investment in a corporation, business or venture over which the grantor has regulatory or supervisory authority by virtue of his or her official position;

**F-2**

- h. The grantor shall retain no control over the trustee nor shall he or she be permitted to make any recommendations or suggestions as to the trust property;
- i. The trustee shall be a commercial trustee and not a natural person;
- j. The principal benefit to be retained by the grantor shall be the right to receive income from the assets transferred to the trust;
- k. The trust shall not become effective until submitted and approved by the Commission; and
- l. The trust agreement shall provide the trustee will give the Commission access to any records or information related to the trust which is necessary for the performance of the Commission's duties.
- 2. A copy of the executed blind trust agreement shall be filed with the Commission and with the head of the department in which the State officer or employee holds his/her position. If the grantor is the head of the department, a copy of the executed blind trust shall be filed with the Chief Counsel to the Governor. Attached to such copy shall be a brief statement outlining the business or financial interests from which the State officer or employee seeks to remove himself/herself and the actual or potential conflicts of interest, or appearance of such conflicts, which he/she seeks to avoid by use of the trust agreement.

Blind Trust.doc

G-1

APPENDIX G

**GUIDELINES GOVERNING THE USE OF OFFICIAL STATIONERY**

State officers and employees and special State officers and employees frequently write letters for various purposes which are not always related to their official duties. Questions about the propriety of letters written on State stationery to further the personal interest of the officer or employee or another individual or entity have been addressed to the State Ethics Commission. To help resolve these questions, the Commission has established the following Guidelines to clarify the use of official stationery for purposes other than the conduct of a State agency's business.

**Permissible Uses of Official Stationery**

The Commission has determined that the following uses of State stationery are generally permissible:

1. To recommend a current or former employee or colleague for another position, admission to a school or program, etc.

Example: Recommending a subordinate for admission to graduate school.

2. To respond to inquiries from a private entity about a current or former employee or colleague.

Example: Providing a character reference for an employee to an adoption agency during the course of the employee's application to adopt a child.

**Note:** These permissible uses are only acceptable so long as the use of official stationery does not create an impression that the State officer or employee is engaged in an unwarranted use of his or her position. For example, it would not be appropriate for a State employee to recommend an individual for inclusion in a program over which the State employee has supervisory or regulatory authority. In addition, there must be a reasonable connection between the officer's or employee's official duties and the use and purpose of the letter.

**Impermissible Uses of Official Stationery**

The Commission has determined that the following examples represent clearly impermissible uses of State stationery:

1. To promote a candidate for elective office.

Example: Writing an endorsement of a candidate for the legislature for inclusion in a campaign pamphlet.

**G-2**

2. To endorse a State vendor or contractor.

Example: Writing a letter of general recommendation for a State vendor for dissemination by the vendor. Note, however, that a letter complimenting the vendor for a job well done may be acceptable even though the vendor may later display the letter.

3. To express a personal opinion on a matter that is not related to one's official duties.

Example: Sending a letter to the editor of a newspaper commenting on a matter that is not related to the duties of the State officer or employee or his or her agency.

4. To secure a personal financial gain or pursue a vested interest for one's self.

Example: Writing to a private contractor (plumber, electrician) demanding a refund or a reduction in a quoted price.

**Personal Stationery Imprinted with Agency, Office or Title**

The Commission has determined that use of personal stationery imprinted with the agency office or title of a State officer or employee, even though paid for personally, is impermissible. Such stationery may create the appearance of official stationery or may create an impression that the State officer or employee is acting in an official capacity.

The Commission acknowledges that there are occasions when it may be appropriate for a State officer or employee to identify himself or herself by position or title in correspondence on personal stationery (i.e., stationery bearing the individual's name and home address).

**Agency Use of Official Stationery for Solicitations**

1. State agencies shall not solicit contributions of any kind from vendors to the agency or from entities regulated by the agency.
2. Solicitation of any other entities is subject to review and approval by the agency's Ethics Liaison Officer prior to any contact by the agency. The Ethics Liaison Officer must be advised of the purpose of the solicitation, the expected result, the identities of the entities to be solicited, whether there is any personal connection between the agency employees and the solicited entity, and must be provided with a sample of the solicitation letter.
3. The Ethics Liaison Officer should determine whether the solicitation would be problematic under the Uniform Ethics Code, the agency's code of ethics, the Conflicts of Interest Law, any Guidelines promulgated by the Commission, and/or any statutory provisions dealing with charitable contributions. The Ethics Liaison Officer should consider such factors as whether the agency has any business contacts with the recipients of the solicitation, whether any solicited products or services will directly benefit any agency employees, whether the solicitation is of

**G-3**

such magnitude that it could be burdensome to the recipient, and whether the language of the solicitation is coercive.

4. The Ethics Liaison Officer shall copy the Commission on all determinations regarding solicitations.

Circumstances that do not fall within the permissible or impermissible examples above require an individual determination by the Commission. Questions and inquiries should be addressed to: State Ethics Commission, P.O. Box 082, Trenton, New Jersey 08625-0082; (609) 292-1892.

H-1

APPENDIX H

**POST-EMPLOYMENT RESTRICTIONS  
NEW JERSEY CONFLICTS OF INTEREST LAW**

This memorandum presents a comprehensive overview of the State Ethics Commission's decisions, policies and guidelines concerning the post-employment provisions of the Conflicts Law. Presented below are general explanations of the statutory provisions as well as summaries of past Commission cases. The case presentations are designed only to provide examples of post-employment issues that have been addressed by the Commission. Specific questions regarding a particular situation should be addressed directly to the Commission.

The sections of the Conflicts Law covering post-employment are *N.J.S.A. 52:13D-17*, the general prohibition, and 17.2(c) and (d), the casino post-employment restrictions. In addition, the Uniform Ethics Code contains a one-year ban on certain State officials' interactions with their former agencies.

*N.J.S.A. 52:13D-17* provides:

No State officer or employee or special State officer or employee, subsequent to the termination of his office or employment in any State agency, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, officer or employee thereof, any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such State officer or employee or special State officer or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his office or employment. Any person who willfully violates the provisions of this section is a disorderly person, and shall be subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both.

In addition, for violations occurring after the effective date of P.L.2005, c.382, any former State officer or employee or former special State officer or employee of a State agency in the Executive Branch found by the State Ethics Commission to have violated any of the provisions of this section shall be assessed a civil penalty of not less than \$500 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (*C.2A:58-10 et seq.*).

**H-2**

*N.J.S.A. 52:13D-13(g)* defines "interest" as:

"Interest" means (1) the ownership or control of more than 10% of the profits or assets of a firm, association, or partnership, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L. 1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than 1% of the profits of a firm, association, or partnership, or more than 1% of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding intermediary company with respect thereto, as defined by the "Casino Control Act," P.L. 1977, c.110 (C. 5:12-1 et seq.). The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

**APPLICATION OF SECTION 17 - GENERAL POST-EMPLOYMENT PROHIBITION**

**Specific Cause, Proceeding, Application or Other Matter**

Section 17 prohibits a former State officer or employee or special State officer or employee from representing, appearing for, negotiating on behalf of, providing information or services not generally available to the public or agreeing to perform any of those activities for any party, other than the State, in connection with those causes, proceedings, applications or other matters in which the officer or employee had made any investigation, rendered any ruling, given any opinion or been otherwise substantially and directly involved while in State employment. There is no time limit on this prohibition.

It is important to note that these restrictions apply to specific causes, proceedings, applications or other matters. This restriction does not extend to "determinations of general applicability or the preparation or review of legislation which is no longer pending before the Legislature or the Governor." In addition, the Commission determined *In the Matter of Walter J. Maibach*, Case No. 179-93, that a regulation enacted pursuant to rulemaking authority is analogous to legislation and, in accordance with the definition of section 13(h), is not a "matter" when it is no longer pending.

Whether a cause, proceeding, application or other matter at issue in a post-employment question is categorized as specific or general is a determination made by the Commission on a case-by-case basis. Questions about the nature of matters with which employees had involvement during the course of their official duties should be directed to the Commission.

### H-3

#### **Substantial and Direct Involvement**

In certain situations it may be difficult to determine whether a former State officer or employee or special State officer or employee was "substantially and directly involved" in a certain matter or whether such officer or employee had merely been technically or formally involved. Such determinations are made as individual cases arise. In considering whether a former State employee had substantial and direct involvement in a matter, the Commission has typically reviewed such factors as whether the individual had supervisory responsibility, provided input, submitted reports, signed contracts on behalf of the agency, attended meetings, approved applications, had access to confidential information, or was directly involved in decision making.

#### **Providing Information Not Generally Available to the Public**

Section 17 prohibits former State officers and employees or special State officers or employees from providing information not generally available to the public. The Commission normally solicits input from the former officer's or employee's agency and also considers whether the information is available under the Open Public Records Act, *N.J.S.A.* 47:1A-1 et seq.

#### **Application of Restriction to Partnership, Firm or Corporation**

The restrictions contained in the Conflicts of Interest Law apply to the partnership, firm or corporation under the following circumstances: (1) if the former State officer or employee or special State officer or employee is a shareholder, associate or professional employee of a firm organized as a professional service corporation or (2) if the former State officer or employee or special State officer or employee owns or controls more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm, association or partnership.

The post-employment restrictions extend, therefore, to former State officers or employees and special State officers or employees personally and to any employees or officers of any professional service corporation with which he/she is employed or associated or is a shareholder. In addition, the restriction also extends to those employees or officers of partnerships, firms or corporations in which the former State officer or employee or special State officer or employee has more than 10% ownership or control. If a former State officer or employee or special State officer or employee is employed by a company in which he/she does not have more than a 10% interest, and the company is not a professional service corporation, the restrictions contained in the Conflicts Law pertain to him/her personally but do not extend to the corporation by which he/she is employed.

#### **Penalty**

Section 17 of the Conflicts Law was amended in 2006. For violations occurring after the effective date of the amendment, March 15, 2006, any former State officer or employee or former special State officer or employee of a State agency in the Executive Branch found by the

**H-4**

Commission to have violated any of the provisions of section 17 shall be assessed a civil penalty of not less than \$500 nor more than \$10,000.

In addition, the fine for a violation of section 17 that is punishable as a disorderly persons offense was increased from \$500 to \$1,000.

**SAMPLE GENERAL POST-EMPLOYMENT CASES ADDRESSED BY THE COMMISSION**

**Employment With a Firm With Which State Officer or Employee Has Contact in His/Her Official Capacity**

The Commission has addressed the issue of employment with a firm with which a State officer or employee or special State officer or employee has contact in his/her official capacity on numerous occasions. Listed below are some examples.

In 1979, the State employee, a Highway Supervisor, Division of Design at the Department of Transportation ("DOT") requested permission to accept a position with a firm with which he came in contact in his official capacity. The Division of Design was responsible for all phases of projects involving bridges, drafted the actual contract agreement, supervised its administration, and acted as liaison between the consultant and the Department. The actual choice of the consulting firm was the responsibility of the Contract Selection Committee which was separate and apart from the Division of Design. The employee was not a member of the Contract Selection Committee.

The Commission determined that it would not be a conflict of interest for the employee to accept a consultant position with the firm. He was, however, permanently restricted from representing, appearing for or negotiating on behalf of the firm on any matter in which he had been substantially and directly involved during his State employment. The Commission requested that as a member of the consulting firm, he refrain from working on any bridge projects that were before the DOT while he was a State employee. There were no restrictions on his participation on behalf of the consulting firm on new matters. *In the Matter of Gary Case*, Commission Case No. 763-79.

In 1980, a Department of Energy employee received an offer of employment from a subcontractor with whom she had interaction in her official capacity. The interaction included accompanying the subcontractor on "walk throughs" of institutions applying for grants from the Department and auditing and monitoring the status of grant applications.

The Commission reviewed the matter under the section 17 post-employment restriction and also considered whether the employee had exercised an unwarranted privilege prohibited by section 23(e)(3) of the statute. The Commission determined that although the employee had some involvement and contact with the subcontractor in her official capacity, there did not appear to have been any substantial and direct involvement in a specific matter by the employee during the course of her employment. As to the unwarranted privilege provision, the

**H-5**

Commission determined that since the employee did not solicit the position with the subcontractor but rather was approached by the subcontractor and immediately contacted her supervisor regarding the offer of employment, no unwarranted privilege existed. *In the Matter of Frances Kelly*, Commission Case No. 875-80.

In 1990, the Commission considered a situation in which the State employee was offered a position as vice-president of Facilities Maintenance for a construction management and development company. As a State employee, the individual had been an engineer in the Bureau of Lease Construction, Department of the Treasury, and had been involved in monitoring construction at 2 of the 14 properties owned by the company and leased to the State.

The Commission discussed whether there was an improper "revolving door" appearance to the employee being offered the position. Upon learning that the development company had solicited the employee for the vice-president position and that the employee had not sought the position, the Commission considered the appearance issue to be resolved. The Commission then determined that section 17 did not bar the employment with the development company but that the employee could not represent the company with respect to the two properties with which he had involvement as a State employee. *In the Matter of Lewis Ischinger*, Commission Case No. 5-90.

**Matters Pending Before Former Employee's Former Agency**

Former State officers and employees or special State officers or employees are not prohibited from working on matters that originated in their former agencies subsequent to their leaving State service so long as they had no substantial and direct involvement in those matters.

In 1974, the former Acting Director of the Division of Water Resources in the Department of Environmental Protection ("DEP") requested an opinion from the Commission as to whether he could accept employment with a consulting firm that had several matters before the Division. These matters included a stream encroachment permit, two water pollution control permits, a loan offer and grant offer.

The Commission determined that since the Acting Director's signature appeared as approving the two water pollution control permits, the loan offer and the grant offer, he was precluded from becoming involved in those matters during his employment with the firm. Because he was not involved with the stream encroachment permit, the Commission found that it did not fall with the section 17 prohibition. *Advisory Opinion No. 23*.

In 2001, the Commission considered whether the former Administrator, Office of Finance and Management, Division of Solid Waste, DEP, was permitted to represent ABC in connection with efforts to obtain a solid waste facility permit to operate a transfer station.

In 1994, XYZ had filed an application with the Division for a solid waste facility permit to expand its then operating transfer station and materials recovery facility. Staff who reported to the former Administrator reviewed the application and prepared a draft permit. A public

**H-6**

hearing on the draft permit was held in July; the former Administrator acted as the hearing examiner. In August, the final permit was issued under the former Administrator's signature, with an expiration date of August 2000. In 1995, the permit was further modified to include a recycling operation. The modification was issued under the former Administrator's signature; his employment with the Division and with the State terminated in March 1997.

XYZ filed a permit renewal application in the spring of 2000 and that application was pending with the Division at the time of the Commission's review. ABC was in the process of purchasing the assets of XYZ and wished to become the owner/operator of the transfer station. The former Administrator, or the firm with which he was currently associated, wanted to represent ABC in its efforts to obtain a solid waste facility permit to operate the transfer station.

The Commission determined that the ABC permit application was a new matter for the purposes of section 17. The XYZ permit was not transferable. When the sale of XYZ's assets to ABC took place, the existing permit would be revoked and ABC would then be required to comply with DEP regulations applicable to new permits. *In the Matter of Robert C. Ciolek*, Case No. 39-01.

**Employment by Entities Contracting With Former Agency**

In 1972, the former Chief of the Bureau of Financial Aid at the Department of Community Affairs ("DCA") requested permission to accept employment with the City of Orange, whose program he was responsible for coordinating during his tenure at the DCA. The employee made the contract arrangements with the city for funding from DCA; however, he did not sign off on the pending contracts.

The Commission determined that the former employee made the contract arrangement for funding by the DCA and that such activity on the part of the employee constituted direct involvement within the meaning of section 17. All monies for administering the municipality's program came from the DCA. *Advisory Opinion No. 2*.

Subsequent to the rendering of *Advisory Opinion No. 2*, the contract in which the former Bureau Chief was originally involved expired. A new contract between Orange and the DCA was ready for execution. Orange wished to engage the former Bureau Chief under this new contract. The Commission sought advice from the Attorney General's Office. In Attorney General Opinion M72-0414, it was determined that the employment of the former Bureau Chief by Orange under a newly executed contract would not violate section 17. The Opinion noted that when the new contract is signed, the direct connection between the funded program and the former employee is severed. The Opinion further stated that "termination of the contract in which the former employee was directly involved appears to be the reasonable point at which the restriction upon the former employee's post-employment activities should also be terminated."

**H-7**

In subsequent cases, the Commission has affirmed its position that a new contract is a new matter for the purposes of the post-employment restriction. (*In the Matter of Rose Zeltzer*, Case No. 3-95, *In the Matter of Michael Rowe*, Case No. 2-96, *In the Matter of Patricia A. Stolpe*, Case No. 35-03).

In 1980, the Commission issued two advisory opinions dealing with employment by entities receiving funding from a former agency and distinguished the cases based on the "substantial and direct" involvement criteria articulated in the statute.

In the first instance, the Commission addressed a situation that involved an individual who worked for the State Law Enforcement Planning Agency ("SLEPA") as a Senior Planner. During the course of his employment, he had official associations with a County Director of a Planning Board who was anxious to participate in a SLEPA Planning Program. The Senior Planner advised the Director to send a letter to SLEPA stating the county's interest in the program, which the Director did. Several months subsequent to receiving information from SLEPA, the Director submitted an application seeking SLEPA funding for his County Planning Program. The Senior Planner then assisted the Director in completing the application by providing data relative to the program and, in particular, to the county's personnel and financial needs. The Senior Planner then became interested in the position that was funded by the SLEPA grant.

The Commission determined that since the individual was substantially and directly involved in the awarding of the SLEPA grant, he was precluded from such employment due to the post-employment restriction. *Advisory Opinion No. 37*.

The Commission considered two related requests for advice involving former SLEPA employees who had accepted or desired to accept positions of employment with county agencies receiving SLEPA grants. The individuals, in their capacities as State employees, had no involvement in processing or otherwise acting upon the grant applications of the county agencies that later became their employers.

The Commission determined that the employment was not proscribed as the former State employees were not substantially and directly involved in these matters during the course of their State employment. The Commission determined that, in and of itself, a grantor-grantee relationship between an individual's former State agency and his subsequent non-State employer normally does not give rise to a prohibited post-employment situation within the framework of section 17. The Commission noted that, of course, the applicability of the post-employment restriction of the Conflicts Law to any given sets of facts and circumstances ultimately can be determined only by direct inquiry to the Commission. *Advisory Opinion No. 39*.

**Multi-faceted Projects**

The Commission has considered a number of cases involving multi-faceted projects that are of long duration or sequential in development and has declined to segment the projects for the purposes of the post-employment restriction.

**H-8**

In 1998, the Commission was asked whether modifications to an RFP constituted a new matter for the purposes of the post-employment restriction. The former employees acknowledged that they were substantially and directly involved with the original RFP during their State employment. However, they advanced the position that the modified RFP was a new matter because the earlier RFP intended that the work be accomplished through the mandatory use of a particular system. The use of that system was not mandatory in the later RFP on which they bid. The Commission found that the utilization of alternate methodologies to accomplish project goals does not constitute a new matter for the purposes of the post-employment restriction. *In the Matter of Linda Anselmini and Lora Levosky*, Commission Case No. 22-98.

In 1999, the Commission considered whether the former State employee's post-employment activities in connection with the closure of several contaminated sites were violative of section 17. The Commission determined that the former employee was substantially and directly involved in the closure while he was a DEP employee based on a sizable record indicating his participation in meetings and correspondence dealing with specifics of the closure. With respect to the matter, the Commission had to determine whether the matter involved the entire closure process or whether the closure process should be segmented based on changes in regulations and modifications in the technologies applied to the site. After an extensive review, the Commission determined that the closure process should not be segmented for the purposes of the post-employment restriction and, thus, determined that section 17 precluded the former employee's involvement in the closure on behalf of his employer. *In the Matter of Kenneth Siet*, Commission Case No. 6-99,

In 2004, a former State employee requested that the Commission consider whether his previous involvement in a 1996 Landfill Closure/Post Closure Plan ("1996 Plan") during his tenure with the DEP precluded him, or the law firm with which he was now associated, from representing a party other than the State in litigation stemming from the closure.

The employee's position was that the 1996 Plan had been superseded by a 2002 Plan, with which he had had no involvement, and, thus, the post-employment prohibition did not apply. The Commission viewed the 2002 Plan as a revision to the 1996 Plan, not as a new matter. Because the former employee was substantially and directly involved in the 1996 Plan, the Commission determined that he was precluded from having any involvement in the landfill closure. The former employee had no ownership or shareholder interest in the law firm, and the firm was not organized as a professional service corporation; therefore, the restriction on the former State employee did not apply to the firm. *In the Matter of Robert C. Ciolek*, Commission Case No. 13-04.

**One-Year Ban – Certain State Officials**

In accordance with the recommendation of the Special Counsel for Ethics Review and Compliance, the Uniform Ethics Code specifies that for one year after the termination of the State office or employment of any of the individuals noted below, he/she shall not represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of

**H-9**

any person or party other than the State with or before any officer or employee of the State agency in which he/she served. The provisions of this subsection shall not apply to any partnership, firm or corporation in which he/she has an interest or is employed, or to any partner, officer, director or employee of such partnership, firm or corporation. Nothing contained in this section prohibits a State agency from contracting with a former State officer or employee to act on behalf of the State.

The one-year ban applies to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor's Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor.

In addition to the prohibition dealing with one's former agency, the governor and each head of a principal department in the Executive branch are prohibited, for one year after the termination of office or employment, from registering as a "governmental affairs agent," as that term is defined in *N.J.S.A. 52:13C-20*. *N.J.S.A. 52:13C-21.4*. This provision is not enforced by the State Ethics Commission.

**Summary**

In summary, the general post-employment restrictions do not prohibit a former State officer or employee or special State officer or employee or any firm in which he/she has an interest from representing a party other than the State concerning:

- Determinations of general applicability.
- Preparation or review of legislation that is no longer pending before the Legislature or the Governor.
- Regulations no longer pending before an agency since these are not specific causes and are analogous to legislation.
- Any matter pending before any State agency, including the individual's former agency, if the former officer or employee or special State officer or employee was not "substantially and directly" involved in the matter while employed by the State.
- Accepting employment with entities that contract with the individual's former agency or any other State agency if the State officer or employee or special State officer or employee was not "substantially and directly" involved in the matter in question.
- Providing information generally available to the public.

**H-10**

- Accepting employment with a firm with which the State officer or employee or special State officer or employee had contact in his/her official capacity.

However, certain State officials are subject to additional one-year bans on their post-employment activities.

**Seeking Future Employment**

In the past, the Commission has determined that employees who have direct and substantial contact with any interested parties must refrain from circulating resumes or in any manner initiating employment discussions with those individuals or entities while still in State service. If an employee is solicited for potential employment by an interested party, that solicitation must be disclosed immediately to the employee's management and to the departmental ethics liaison officer to avoid a situation where an employee may appear to be using his/her official position to gain an unwarranted advantage. Employees who do not have direct and substantial contact with interested parties may circulate resumes and enter into discussions regarding potential employment with those firms as long as they avoid a situation that may give rise to an unwarranted advantage. All employees are cautioned that discussions, interviews, and negotiations should not take place on State time. *In the Matter of Theodore Fischer*, Commission Case No. 83-88.

**SECTION 17.2(c) and (d) - CASINO POST-EMPLOYMENT RESTRICTION**

*N.J.S.A. 52:13D-17.2* (c) and (d) provide:

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, except as provided in section 3 of P.L.2009, c.26 (*C.52:13D-17.3*), and except that:

**H-11**

(1) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(2) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-employment restrictions applicable to members and employees of the Casino Control Commission and employees and agents of the Division of Gaming Enforcement pursuant to subsection e.(2) of section 59 and to section 60 of P.L.1977, c.110 (*C.5:12-59* and *C.5:12-60*); and

(3) any partnership, firm or corporation engaged in the practice of law or in providing any other professional services with which any person included in paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (a) is screened from personal participation in any such representation, appearance or negotiation; and (b) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The

**H-12**

exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in paragraph (2) of subsection a. of this section, or to the members of their immediate families.

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, or any holding or intermediary company.

Section 17.2(c) prohibits a "person" from holding, directly or indirectly, an interest in, or holding employment with, or representing, appearing for, or negotiating on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, application for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity. This prohibition extends for a period of two years. Section 17.2(c) was amended on December 20, 1993 to provide an exception for members of a "person's" immediate family. Under the amendment, a family member is permitted to hold employment with the holder of, or applicant for, a casino license, if the Commission determines that such employment will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest. An amendment effective January 25, 1995 provides that a non-policy-making employee terminated as a result of a reduction in force may, prior to the end of the two-year period, accept employment with a casino license holder or applicant if the Commission determines that there is no actual conflict of interest or the public perception of a conflict. An amendment dated January 12, 2010 provides an exception to the two year ban if the "person" or a member of the "person's" immediate family is employed by a partnership, firm or corporation providing professional services to a casino licensee or applicant or holding or intermediary company of the licensee or applicant. Under the exception, the entity may engage in casino-related matters but the "person" or member of the "person's" immediate family must be screened from these matters for a period of two years following the termination of the person's State employment. This exception is not applicable if the "person" holds an equity interest in such entity, or is the former Governor, Lieutenant Governor, or Attorney General or a member of the immediate family of one of these individuals.

Section 17.2(a) defines "person" as:

any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; the Governor; any member of the Legislature or full-time member of the Judiciary; any full-time professional employee of the Office of the Governor, or the Legislature;

**H-13**

members of the Casino Reinvestment Development Authority; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located, or any professional planner, or consultant regularly employed or retained by such planning board of zoning board of adjustment.

Section 13(i) defines "member of the immediate family" as:

the person's spouse, child, parent or sibling residing in the same household.

**Application of Restriction to Partnership, Firm or Corporation**

The restrictions contained in section 17.2(c) apply to "persons" and immediate family members not granted a waiver and to any partnership, firm or corporation with which such "person" is associated or in which he/she has an interest. The Conflicts Law defines "interest" as the ownership or control of more than 10% of the stock of a corporation or more than 10% of the profits or assets of a firm. The restrictions in 17.2(c) do not extend to a partnership, firm or corporation that is providing professional services if the "person" is not an equity partner.

**Effect of Restriction on Employment by Casino Association**

In Advisory Opinion No. 41, the Commission determined that, under the application of section 17.2(c), a "person" may not become employed by the Casino Association of New Jersey ("Casino Association") immediately upon leaving State service.

The Casino Association is a non-profit corporation and holder of a non-gaming casino service industry license that operates as a trade association representing the collective interests of Atlantic City casino licensees. Among other things, the Association works to promote the common good of the industry and its members and to provide liaison between the industry and other parties, be they governmental, business, labor, social or civic.

In Advisory Opinion No. 41, the Commission noted that section 17.2 is a part of the Conflicts Law which has as its paramount objective to "ensure propriety and preserve public confidence." *N.J.S.A. 52:13D-12(b)*. Section 17.2 supplements both the Casino Control Act and the Conflicts Law in fostering and maintaining this objective. It represents an additional step "to sanitize casino gambling and its potentially corrupting effect upon government." See *Knight v. Margate*, 88 *N.J.* 374, 392 (1981). It is the Commission's view that a technical interpretation of section 17.2(c) that would allow "persons" leaving State service to be employed by the Casino Association would be inconsistent with the overall objectives and purposes of the statute even

**H-14**

though the Casino Association is not a casino license holder. Its membership is exclusively casino license holders and it acts to further the aggregate interests of those casino license holders in a number of areas, including interaction with State government. This is exactly the kind of relationship between State "persons" and the casinos that is intended to be regulated by the section 17.2(c) post-employment ban. *Advisory Opinion No. 41.*

**Members of the Bar**

Former State officers and employees who are also members of the bar must also adhere to the ethical standards adopted by the New Jersey Supreme Court:

Except as law may otherwise expressly permit, and subject to RPC 1.9, a lawyer who formerly has served as a government lawyer or public officer or employee of the government shall not represent a private client in connection with a matter: (1) in which the lawyer participated personally and substantially as a public officer or employee, or (2) for which the lawyer had substantial responsibility as a public officer or employee; or (3) when the interests of the private party are materially adverse to the appropriate government agency, provided, however, that the application of this provision shall be limited to a period of six months immediately following the termination of the attorney's service as a government lawyer or public officer. (RPC 1.11 (a)).

The scope of New Jersey's Conflicts of Interest Law is at least as broad as the rules covering attorney ethics. Requests for advice on the application of the Rules of Professional Conduct should be directed to the Supreme Court Advisory Committee on Professional Ethics.

I-1

APPENDIX I

SUBCHAPTER 7. RECUSAL PROCESS

19:61-7.1 Purpose

The purpose of this subchapter is to provide State officials with guidance regarding the circumstances under which a State official must recuse himself or herself and procedures as to properly effectuating a recusal.

19:61-7.2 Scope

The rules in this subchapter apply to all State officers and employees and to all special State officers and employees as defined in the Conflicts of Interest Law, N.J.S.A. 52:13D-13(b) and (e), which definitions are incorporated in N.J.A.C. 19:61-1.10.

19:61-7.3 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

“Recusal” means the process by which a person is disqualified, or disqualifies himself or herself, from a matter because of a conflict of interest.

“Relative” means a spouse, parent, child, sibling, grandparent, grandchild, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, or first cousin, whether in whole or half blood, by marriage, adoption or natural relationship, and the spouse of any such person.

19:61-7.4 Situations where recusal is required

(a) A State official is required to recuse himself or herself from an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with the State official during the one year prior to the official's commencement of State service. This recusal shall remain in effect for one year after the commencement of the official's State service.

(b) A State official is required to recuse himself or herself on an official matter if he or she had any involvement in that matter, other than on behalf of the State, prior to commencement of his or her State service. The recusal shall remain in effect until the agency no longer has any interest in the matter.

(c) A State official is required to recuse himself or herself from an official matter that involves any individual, association, corporation or other entity from which the State official received a campaign contribution, individually or in the aggregate, in an amount required to be reported by

I-2

N.J.A.C. 19:25-10. Recusal is required regardless of whether the State official is elected to the office or position associated with the campaign contribution. The recusal shall remain in effect until the expiration of the term of office which the State official was seeking when the contribution was made.

(d) A State official must recuse himself or herself from a matter if he or she has:

1. Any financial interest, direct or indirect, that is incompatible with the discharge of the State official's public duties; or
2. Any personal interest, direct or indirect, that is incompatible with the discharge of the State official's public duties.

(e) For purposes of (d) above, an incompatible financial or personal interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to or involving a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to or involving a business associate or business investment; and a leadership role in a professional or trade organization, which interest might reasonably be expected to impair a State official's objectivity and independence of judgment in the exercise of his or her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct violative of his or her trust as a State official.

(f) An incompatible financial or personal interest may exist in other situations which are not clearly within the provisions of (d) and (e) above, depending on the totality of the circumstances. A State official should contact his or her agency ethics liaison officer or the Commission for guidance in such cases.

(g) A State official must seek the advice of the State agency's counsel, agency ethics liaison officer or the Commission as to the propriety of participation in a matter if any person requests that a State official recuse himself or herself from that matter. Oral advice, followed up by a writing, may be provided by the agency's counsel, the agency ethics liaison officer or the Commission to avoid delay. Oral advice should subsequently be memorialized by a writing or by inclusion in public minutes.

Examples:

1. The spouse of the Director of the Division of Solid and Hazardous Waste (Division), Department of Environmental Protection, recently became a partner in ABC, an environmental consulting firm that represents clients before the Division. The Director must recuse himself from any involvement with ABC matters that come before the Division. The recusal must be memorialized in writing and conform to the standards of N.J.A.C. 19:61-7.5(b).

**I-3**

2. The Director of a program that regulates health insurance carriers has been approached about possible employment by a regulated entity. The entity does not currently have any specific cause, proceeding, application or other matter pending. The solicitation must immediately be disclosed to the Director's supervisor and the Department Ethics Liaison Officer to avoid a situation where the State official may appear to be using his or her official position to gain an unwarranted advantage. The circumstances surrounding the solicitation and the State official's official interactions with the entity must be reviewed before the official proceeds with any job-seeking activities. If it is determined that the State official may respond to the solicitation, he must recuse himself from any involvement with the entity in his official capacity. Such recusal must conform to the standards of N.J.A.C. 19:61-7.5(b).

3. Pursuant to N.J.A.C. 19:61-3.1(e), if a member of the Commission holds office or employment in the same Department which employs a State official named in an allegation, he or she must disqualify himself or herself from participation in any decisional process relating to that particular case. One of the Commission meeting agenda items is an allegation that a Department of Personnel employee has violated the Conflicts of Interest Law. Because the Commission Chairwoman is the Commissioner of the Department of Personnel, materials associated with this matter would not be forwarded to her. In addition, the Chairwoman would place her recusal and the reason for such recusal on the record at the meeting and leave the room during non-public deliberations.

4. A member of the Real Estate Commission (REC) is a Director and past President of the New Jersey Association of Realtors (NJAR). The NJAR currently opposes a regulation proposed by the REC, has submitted a letter outlining its position, and plans to attend the REC meeting to express its opposition to the regulation. Because the REC member is an officer of the NJAR, he must recuse himself from discussions and voting on the regulation in question.

5. The Governor signed an Environmental Act that requires the establishment of a nine member Oversight Council, four of whom must be county and municipal officials from the region. One of the municipal officials appointed to the Council was recently elected and one of the county officials appointed to the Council recently lost his bid for State Senate. A local engineering firm made a substantial campaign contribution to the successful campaign of the municipal official, and another large donation to the county official's unsuccessful campaign for the State Senate.

Pursuant to N.J.A.C. 19:61-7.4(c), the recently elected municipal official would have to recuse on those matters involving the engineering firm until his current term of office expires. If he sought re-election and received no contribution from the same engineering firm, the recusal rule would no longer be applicable once the new term commences.

Similarly, the county official who unsuccessfully sought a State Senate seat would also have to recuse from matters involving the engineering firm for the duration of the term of that Senate seat because the engineering firm's donation to his campaign could create the impression of conduct violative of his trust as a State official in his current position. If this county official subsequently runs for the State Senate seat again and he accepted another contribution from this

I-4

engineering firm, he would also have to recuse for the next term of office for the State Senate seat.

19:61-7.5 Procedure for recusal

(a) If a State official finds, or is advised by agency counsel or the agency ethics liaison officer, that an incompatible financial or personal interest exists on a matter, the State official must recuse himself or herself from that matter or seek advice from the Commission. The recusal must be absolute, that is, the State official must have no involvement with the matter from which he or she has recused himself or herself.

*(b) All recusals, other than those provided for in (c) below, must be memorialized in writing. See the subchapter Appendix for samples. The writing must:*

1. Specify the reason for and the date of the recusal;
2. Specify the duration of the recusal (which may be expressed in terms related to the pendency of the matter in the State agency);
3. Specify the effect of the recusal on the State official and his or her State agency (for example, that the State official is not to be contacted or involved or participate in any manner concerning the matter from which he or she has been recused);
4. Name the person who is to assume responsibility and authority for the matter from which the State official has been recused (if applicable); and
5. Be disseminated to all persons who might be affected by the State official's recusal and to the agency ethics liaison officer, who shall maintain the writing for as long as the State official serves in his or her position.

(c) In the case of a State agency that maintains a public record of a proceeding, that is, a Board or Commission meeting, formal written recusal is not required; however, the following procedures must be followed:

1. To the extent feasible, meeting materials involving a matter from which the State official must recuse himself or herself should not be distributed to the State official;
2. At the subject meeting, the State official must place his or her recusal and the reason for such recusal on the record prior to any discussion of the matter; and
3. The State official must leave the room at a non-public portion of the meeting while the matter in question is under discussion.

I-5

APPENDIX  
Sample Recusal Statements  
Sample Recusal Statement: Seeking Employment

DATE: \_\_\_\_\_

TO: Agency Ethics Liaison Officer  
State Ethics Commission

FROM: Name of Employee

SUBJECT: Recusal – Seeking Employment with (Name of Outside Organization)

This is to notify you that I am (seriously considering employment with, discussing employment with, or seeking employment with) (Name of Outside Organization).

My seeking employment may present an actual or appearance of a conflict of interest; therefore, I must disqualify/recuse myself from any official duties that involve the above organization. I understand that I may not participate in any way as a State official in any matters regarding the above organization. Furthermore, I understand that it would be appropriate for any matters specifically involving the above-named organization to be referred to my supervisor (or subordinate, if no other option) without consulting me or informing me that such matters are pending. This action is taken with the concurrence of my supervisor (or subordinate), as indicated below.

I understand that this recusal will remain in effect until I inform you in writing that all employment seeking activity has terminated and I receive written permission from the agency ethics liaison officer to resume interactions with the outside organization.

\_\_\_\_\_  
Employee’s Name

Recommend: \_\_\_\_\_  
(Name of Employee’s Director/Supervisor) Date

Approve: \_\_\_\_\_  
Ethics Liaison Officer Date

I-6

Sample Recusal Statement: Conflicts

DATE: \_\_\_\_\_

TO: Designee(s)

FROM: Name of Employee

SUBJECT: Recusal

Because I may be seen to have a conflict of interest in matters affecting (name of entity or individual) relating to (family relationship, former affiliation with firm, etc.), I am delegating all responsibility and authority for handling any such matters to you. Please ensure that I am screened from any information or communications on any such matters.

By copy of this memorandum, I am instructing (appropriate contacts in office) to ensure that I do not receive any communications on any matters affecting (name of entity or individual). This recusal will remain in effect until (state duration of recusal).

c: subordinates responsible for screening communications  
Ethics Liaison Officer  
State Ethics Commission

J-1

APPENDIX J

**State Ethics Commission Position on Privatization Issues**

At its December 7, 1994 meeting, the State Ethics Commission considered whether State employees could, under the application of section 19 of the Conflicts Law, participate in an open competitive bid process for the privatization of services currently being provided by their agency and, if successful, could operate the service under the application of section 17.

**Application of Section 19:** Section 19 prohibits a State officer or employee from entering into a contract, valued at \$25 or more, with any State agency. This prohibition also extends to partners or any corporation which the State officer or employee controls or in which he owns or controls more than 1% of the stock. Section 19(b) exempts only three categories of contracts from this general prohibition:

1. Contracts made after public notice and competitive bidding;
2. Contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10* or similar applicable provisions; and
3. Any contract of insurance entered into by the Director of the Division of Purchase and Property, Department of the Treasury, pursuant to *N.J.S.A. 52:27B-62*.

Each of these exceptions requires prior approval of the Commission.

Because the contract for the privatization of the program at issue will be made after public notice and competitive bidding, the Commission approved the employees' participation in the bid process. To deal with concerns expressed in past Commission cases regarding whether State employees could bid on contracts to be awarded by their own agencies, the Commission outlined several safeguards. These safeguards are intended to prevent perceptions of State employees gaining unwarranted advantages or using insider information.

In order to approve an employee's participation in an open competitive bid process for services being privatized by his/her agency, the Commission requires an affidavit to the Commission from the agency management specifying that the employee is not or has not been involved in the privatization decision and will have no involvement in the privatization process, e.g., development of the RFP and winding down of the State-provided service. The affidavit must also specify that the employee will have no involvement in the evaluation of bids. The Commission also requires that the agency maintain records identifying all individuals involved in the privatization process. This requirement will facilitate investigation of any future complaints charging an employee with the use of insider information.

J-2

The Commission recommends that the RFP contain a notice to all bidders that agency employees or former employees may be submitting proposals. The Commission also recommends the "blind" review of the proposals to the maximum extent feasible. This would involve identifying bidders only by numbers or letters and not by personal or corporate identity.

**Application of Section 17:** The post-employment restriction of the Conflicts Law prohibits a former State employee from representing, appearing for, negotiating on behalf of or providing information or services not generally available to the public to any person or party other than the State in connection with any specific cause, proceeding, application or matter in which he/she had substantial and direct involvement during his/her State employment.

The Commission has taken the position that privatized services that are no longer pending, active or on-going in the State agency that formerly provided the services are not "matters" within the scope of section 17.

The Commission is concerned that individuals who expect to have involvement in the privatized services not participate, while State employees, in the privatization decision and process because of the Conflicts Law provisions that prohibit employees from using their official positions to gain an unwarranted advantage (section 23(e)(3)), acting in their official capacities in matters where they have an interest that may impair their objectivity (section 23(e)(4)), acting in a way that might create the impression of a violation of the public trust (section 23(e)(7)) and using or disclosing information not generally available to the public (section 25). Thus, procedurally, the Commission requires that an employee express his/her intention to be involved in any private sector efforts in connection with the privatization to the agency's management and the Commission as soon as it is feasible so that appropriate steps can be taken to screen the employee from the agency's privatization activities.

The Commission will require notice that the employee was not involved in the privatization decision or in the privatization process, e.g., preparation of the RFP, review of bids, evaluation of potential providers. The agency will be required to maintain records identifying all employees involved in the privatization process.

**K-1**

**APPENDIX K**

**GUIDELINES REGARDING RETIREMENT GIFTS**

These guidelines address the circumstances under which appropriate recognition can be given to retirees from State service without exceeding the bounds of propriety or giving rise to an impression of violation of the public trust.

Typically, retirement functions comprise a get-together, with or without a meal, and the presentation of a gift or monetary token to the retiree, to his or her spouse, and/or to his or her dependent(s). In planning such events, the responsible group or individual must choose between two approved alternatives with regard to funding and the value of any and all gifts to be presented.

1. Gifts may be funded by a maximum contribution of \$5 per person, collected from invitees to the retirement function. If this method of funding is used, no maximum value is set for the cost of the gifts, but contributions of more than \$5 per invitee are not permitted.

or

2. The maximum value of retirement gifts cannot exceed \$1,000. If this method is used, there is no maximum set on individual contributions, but the total value of retirement gifts and/or monetary tokens to the retiree, spouse, and dependent(s) cannot exceed \$1,000.

If, instead of presenting gifts and/or monetary tokens to the retiree, spouse, and dependent(s), a decision is made to make monetary contribution to a qualified organization (under I.R.S. Code 501(c)(3)), no limit is placed on the maximum value of the contribution.

Retirement gifts from parties with whom the employee has had involvement in his/her official capacity are permissible provided the gift is not excessive or inappropriate for the purpose for which it is given.

Any questions about these guidelines or their implementation should be addressed to:

State Ethics Commission  
28 West State Street  
8<sup>th</sup> Floor – P.O. Box 082  
Trenton, New Jersey 08625  
(609) 292-1892

L-1

APPENDIX L

**PUBLISHED WORKS**

The State Ethics Commission staff frequently receives inquiries regarding State employees' activities in connection with authoring and publishing research papers, articles and books. The Commission has addressed these situations over the years, primarily under the application of sections 23(e)(1), direct or indirect financial or other interest; 23(e)(5), impairment of objectivity and independence of judgment; 23(e)(7), the appearance of impropriety; 24, receipt of compensation for a matter related to official duties; and 25, disclosure or use for personal gain of information not available to the public. Subsequent to March 1997, the Commission has also considered such inquiries under *N.J.A.C.* 19:61-6.7(b), compensation for published works.

Section 23(e)(1) of the Conflicts Law provides:

No State officer or employee or special State officer or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his duties in the public interest.

Section 23(e)(5) of the Conflicts Law provides:

No State officer or employee or special State officer or employee should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his objectivity and independence of judgment in the exercise of his official duties.

Section 23(e)(7) of the Conflicts Law provides:

No State officer or employee or special State officer or employee should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his acts that he may be engaged in conduct violative of his trust as a State officer or employee or special State officer or employee.

Section 24 of the Conflicts Law provides:

a. No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift, honorarium, out-of-State travel or subsistence

**L-2**

expense or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, except as authorized in this section.

b. A State officer or employee, special State officer or employee, or member of the Legislature may, in connection with any service, advice, assistance, appearance, speech or other matter related to the officer, employee, or member's official duties, solicit, receive or agree to receive, whether directly or indirectly, from sources other than the State, the following:

(1) reasonable fees for published books on matters within the officer, employee, or member's official duties...

Section 25 of the Conflicts Law provides:

No State officer or employee, special State officer or employee, or member of the Legislature shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties. No State officer or employee, special State officer or employee, or member of the Legislature shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he receives or acquires in the course of and by reason of his official duties.

*N.J.A.C. 19:61-6.7, Compensation for Published Works, provides:*

(b) A State official shall secure the permission of the department head to accept compensation for published work(s) not created as part of his or her official duties. In determining whether such approval can be granted, the Department head shall consider the provisions of the Conflicts of Interest Law, the uniform ethics code, the agency code of ethics, any applicable Executive Orders, the Commission's Guidelines Governing Outside Activities, any other applicable guidelines or rules of the Commission, any applicable administrative policies of the agency, and the following conditions.

1. Whether compensation is being paid by an interested party;
2. Whether the published work(s) uses or discloses information not generally available to the public;

L-3

- (c) The State official shall prepare the published work(s) on his or her own time, without using the services of other State officials or resources owned by the State.
- (d) Except as provided in (e) below, the State official shall not use his or her official title in any way in soliciting compensation.
- (e) A State official acting in a scholarly capacity may accept compensation for published works created as part of his or her official duties on State time utilizing State resources.

Summarized below are Commission cases dealing with published works.

In Case No. 255-75, the Commission considered whether employees of the Public Broadcasting Authority (“PBA”) could receive a compensation fee for journalistic work used on a commercial station. Various journalists employed full-time by the PBA were approached for the use of news items that they wrote during the hours that they were employed by the State. These scripts, films or tapes were being used on commercial TV channels. The commercial stations wished to compensate the journalists for the use of their work.

The Commission determined that it would be a violation of section 24 of the Conflicts Law for State employees to receive compensation from any source other than the State for news items created as part of their official duties.

In Case No. 402-76, the Commission considered whether a professor at a State college was permitted, under the Conflicts Law, to receive payment of royalties for a book he published prior to his State employment and for an instructional manual to be used in conjunction with the book. The instructional manual was authored by him during his State employment.

Prior to his State position, while employed at a New York university, the professor devised a method to teach philosophy to elementary school children and authored a book on the topic. Two years after the professor joined the State college, the Board of Trustees formed the Institute for the Advancement of Philosophy for Children (“IAPC”) as a means of further research and curriculum development for the purpose of training elementary school teachers to teach philosophical thinking to children. The professor was appointed Director of the IAPC.

The Commission determined that it would not be a violation of the Conflicts Law for the professor to receive royalties from the original book, written materials related to the original book or future materials authored on the subject of the development of philosophy in the elementary grades. This decision was based on the fact that the State college did not have a specific policy governing receipt of royalties for published works written by faculty members during their employment with the college. The agreement between the professor and the State college to act as Director of the IAPC did not provide that he author any publications in connection with this topic. The Commission thus determined that writing the instructional

**L-4**

manual and any future curriculum materials related to this issue could not be said to be related to his official duties. The professor was advised that, in his official capacity, he could not encourage the purchase of any materials that he authored.

In Case No. 427-76, the Commission considered whether the Deputy Director, Division of Field Services, Department of Education, could collect royalties from a book which he co-authored, with his wife, on the subject of communicating with hearing impaired and autistic individuals. Prior to his employment with the State, the Deputy Director had been associated with a school for the deaf in another state.

The Commission determined that the State employee was permitted to collect royalties from the sale of the book because the subject matter was unrelated to his official duties and he had no authority or control over the education of hearing impaired or autistic children. The State employee was advised that he could not promote the sale of the book to entities in New Jersey.

In Case No. 601-77, the Commission determined that it would not be a conflict of interest for the Chief Engineer, Operations and Local Aid, DOT, in his private capacity, to write an article on transportation systems to be contained in a book entitled "Focus on New Jersey: Problems and Prospects," to be published by a private publisher. In his official capacity, the employee functioned as a traffic engineer designing roads for counties and municipalities. The employee was well known in his field and as a result had given lectures in approximately 50 universities throughout the country on the topics of highway safety and highway traffic.

In Case No. 1028-82, the Department of Education requested that the Commission review the outside activities of three Department employees. The three employees were approached by an entity that received funding from the Department to assist in the production of a multi-cultural handbook to be used in teacher training. The Department was responsible for appointing the Board of Directors of the outside entity and provided funding for administrative purposes. The State employees' Division used the facilities of the private entity for training workshops. The project in question was being funded by a federal grant. All three employees' official responsibilities included the development of instructional programs for students not proficient in English.

The Commission found that a potential for an appearance of a conflict existed because the State employees dealt with the private entity in their official capacity and were involved with essentially the same subject matter in both positions. The Commission also advised the Department that the private entity should have solicited assistance from the Department rather than directly approaching the State employees.

In Case No. 1160-83, the Commission considered whether a Teacher, Adult Basic Education Program, New Lisbon State School, Department of Human Services, was permitted to publish a cookbook written on her own time. In her official capacity, the State employee was responsible for teaching home economics and nutrition programs to the adult developmentally disabled population at New Lisbon State School. The cookbook was a pictorial cookbook/teachers guide for non-readers and the handicapped. The development of the

**L-5**

cookbook was not part of the employee's official duties and responsibilities. She was advised not to make use of the cookbook in her classes after it appeared in published form.

In Case No. 1186-83, the Commission considered whether Coordinator III, Office of Equal Educational Opportunity, Department of Education, was permitted to publish a book entitled "Analogies and Black History," developed and financed by him for the purpose of assisting minority students in taking college entrance exams. The publication was not developed as part of his official duties, although part of his official function was to conduct black history in-service courses. At the meeting where this matter was considered, the Commission's Counsel at the time indicated that State employees may receive reasonable compensation for published works so long as they are not directly compensated by the State for those same works. Counsel explained that State employees would not be permitted to receive compensation if they were designated to prepare a book for the State as part of their official duties.

The Commission permitted the publication but placed the following restrictions on the employee. He could not conduct any field testing of his material within the area of his geographic assignment; he could not directly promote, advertise or solicit sales of his book to any State employee or any person with whom he had or may have official

dealings; he could not contract to sell these materials to the State of New Jersey unless in compliance with section 19 of the Conflicts Law.

In Case No. 3-84, the Commission found that the Supervising Program Development Specialist, Bureau of Research, Division of Youth and Family Services ("DYFS"), Department of Human Services ("DHS"), could not accept a cash award from a gerontological society for a paper prepared by him as a DYFS employee.

The DHS was awarded a grant to study abuse of the elderly. Because of his experience in the field of gerontology, the State employee was assigned the task of preparing a paper on the subject as part of his official duties. The paper was prepared entirely on State time with grant monies administered by the State. The State employee then submitted the paper for consideration for an annual research award and was the recipient of that award. The Departmental Ethics Review Board concluded that the acceptance of the cash award was violative of the Department's Code of Ethics. The Commission noted that the employee had solicited the award and affirmed the DHS' determination. The State employee appealed the Commission's decision to the Superior Court, Appellate Division, which upheld the Commission's determination.

In 1997, the Department of Law and Public Safety requested an opinion as to whether a Division of Law Deputy Attorney General ("DAG") was permitted to co-author a book about psychics and the paranormal, Case No. 3-97. The DAG wanted to write the book in her private capacity and use her married name (she is known by her maiden name in her employment with the Department). The Commission determined that the DAG was permitted to co-author the book under the following conditions: that she not refer to her status as a DAG or member of the Department; that she not permit the use of her title or employment in connection with publication

L-6

or promotion of the book; that she not write about an active case or use information not generally available to the public; that she avoid any legal analysis that could be interpreted as Division of Law work product; that she not use State time or resources in connection with her outside activity.

In Case No. 34-96, Assistant Director, Division of Administrative Rules ("DAR"), Office of Administrative Law ("OAL"), and Case No. 35-96, Assistant Director, Judicial Standards and Procedures ("JSP"), OAL, the employees requested an opinion regarding outside employment. They were co-authors of an annual update of the Administrative Law Volume of the New Jersey Practice Series published by West Publishing Company ("West"). The matter at issue was the pocket part which updates the main text. West paid royalties to the employees.

West was an "interested party" under the Commission's rules. West did business with the OAL in two ways: it was the sole supplier of law library materials and also had the exclusive license to publish the New Jersey Register and the New Jersey Administrative Code. The OAL formerly produced these materials. West had a 7-year contract with three 1-year extensions which could be exercised at the State's option. The JSP Assistant Director had no involvement with West in any of its OAL dealings. The DAR Assistant Director had official contact with West regarding the license agreement.

As to the JSP employee, the Commission determined that she was permitted to engage in the outside employment. Under the Commission's rules governing compensation for published works in effect at the time, State employees were flatly prohibited from accepting compensation from an interested party. West was an interested party, but after reviewing all of the facts and circumstances, the Commission determined that her arrangement with West did not do violence to the intent of the rule. The Commission noted that the intent of the interested party provision was to prevent any influence by a discretionary vendor. This did not appear to be the situation in her case.

West was a sole-source provider, and she would not be able to influence any decision regarding West. The royalties were not subject to negotiation; there was a formula based on the sale of the books.

As to the DAR employee, the Commission determined that his co-authorship did not constitute a conflict with his official duties and permitted the outside employment, subject to the condition that he recuse himself from any actions in connection with contract renewals or re-bidding at the conclusion of the current 7-year contract.

The Commission determined that the interested party prohibition was overly broad. Subsequent to the two decisions, in March 1997, the Commission proposed and adopted the current provision regarding compensation for published works. Under the amended rule, *N.J.A.C. 19:61-6.7*, the fact that compensation is from an interested party does not automatically preclude acceptance of compensation, but is only one of a number of factors to be considered.

L-7

In Case No. 17-98, a Principal Environmental Specialist, Department of Transportation, requested an opinion from the Commission as to whether he was permitted to author a book on New Jersey archeological sites to be published by Rutgers University Press ("RUP"). Rutgers University is a State agency for the purposes of the Conflicts Law, and RUP is fully integrated into the University. The employee's proposed outside activity raised a number of issues: the use of DOT archeological reports prepared by the employee or consultants supervised by him, the receipt of compensation for published works based on these reports, and contracting with Rutgers, a State agency.

The Commission determined that the use of DOT archeological reports in connection with the proposed published work appeared to be approvable under *N.J.A.C.* 19:61-6.7 and section 25 of the Conflicts Law. While there was no precedent directly on point, the Commission noted that State employees have been permitted to accept compensation for published works on subject matters related to their official duties. While the employee's activity was approvable under the rules governing published works and under section 25 of the Conflicts Law, the Commission determined that he was prohibited under section 19 of the Conflicts Law from undertaking or executing a contract or agreement for \$25 or more with RUP.

In Case No. 34-98, the Commission determined that the Managing Actuary, Division of Life and Health, Department of Banking and Insurance ("DOBI"), was permitted to co-author and market a study guide utilized by students preparing to take the Society of Actuaries ("SOA") professional examination under the Commission's rules, precedent, the Conflicts of Interest Law and the DOBI Code of Ethics.

The employee co-authored the study guide in 1995 while on the faculty of Temple University. The examination contains ten segments; the study guide deals with only one particular segment of the exam. The book previously identified the employee as a faculty member at Temple, but new copies identify him only by name and give no indication of his current employment with the DOBI. The authors distribute approximately one third of the books themselves through direct mail; they purchased an advertisement which is distributed with materials sent by the SOA to all exam registrants. The remaining two thirds of the book are sold through several mail order books stores that specialize in actuarial books. The study guide is used by student actuaries; the majority of them are employees of insurance companies or actuarial consulting firms. Some students are employed by insurance companies and are reimbursed by their employers when they purchase books; insurance companies also purchase the study guide directly.

In approving the activity, the Commission took into account the following factors: the study guide is sold nationally and not just to New Jersey exam registrants, the employee co-authored the book while at Temple, uses only his name and not his official title in connection with the study guide and does not directly solicit regulated entities.

**Summary.** Under the rule addressing compensation for published works, *N.J.A.C.* 19:61-6.7, and under Commission precedent, a State employee not acting in a scholarly capacity may accept compensation for published works under the following conditions.

**L-8**

- There is no prohibition governing such activity in the Department's enabling legislation or Code of Ethics.
- The State employee must obtain prior approval from his/her Department head.
- The published work must not use or disclose information not generally available to the public.
- The State employee must not use State time or resources in connection with the published work.
- The State employee must not use his/her official title in connection with publication or promotion of the published work.
- The State employee cannot promote, advertise or solicit sales of the published work to co-workers or individuals with whom he/she has official dealings.
- The State employee may not contract to sell the published work to the State except in compliance with section 19 of the Conflicts Law.
- The published work must not have been prepared as part of the State employee's official duties.

pubworks.doc  
August 1999  
June 2006  
August 2006

M-1

APPENDIX M

**OFFICIAL INTERACTIONS WITH FAMILY MEMBERS/COHABITANTS  
AND DATING RELATIONSHIPS**

The State Ethics Commission staff frequently receives inquiries regarding the propriety of State officials interacting in the course of their duties with family members. The majority of the inquiries concern relatives employed by the same State agency or interactions with family members employed in the private sector. Prior to 2006, the New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.*, did not contain an anti-nepotism provision. However, the statute was amended, effective March 15 2006, to prohibit certain relatives of certain State officials from holding particular governmental positions and also to prohibit State officials from supervising, or exercising authority with regard to personnel actions over, a relative of the State official.

*N.J.S.A. 52:13D-21.2* provides:

a. (1) A relative of the Governor shall not be employed in an office or position in the unclassified service of the civil service of the State in the Executive Branch of State Government.

(2) A relative of the commissioner or head of a principal department in the Executive Branch of State Government shall not be employed in an office or position in the unclassified service of the civil service of the State in the principal department over which the commissioner or head of the principal department exercises authority, supervision, or control.

(3) A relative of an assistant or deputy commissioner or head of a principal department in the Executive Branch of State Government who is employed in an office or position in the unclassified service of the civil service of the State may be employed in the principal department in which the assistant or deputy commissioner or head serves, but shall not be assigned to a position over which the assistant or deputy commissioner or head exercises authority, supervision, or control.

(4) A relative of a head or assistant head of a division of a principal department in the Executive Branch of State government who is employed in an office or position in the unclassified service of the civil service of the State may be employed in the principal department in which the head or assistant head of a division serves, but shall not be assigned to a position over which the head or assistant head exercises authority, supervision, or control.

**M-2**

b. (1) A relative of an appointed member of a governing or advisory body of an independent authority, board, commission, agency or instrumentality of the State shall not be employed in an office or position in that independent authority, board, commission, agency or instrumentality.

(2) A relative of an appointed New Jersey member of a governing body of a bi-state or multi-state agency shall not be employed in an office or position in that bi-state or multi-state agency, to the extent permitted by law.

c. A State officer or employee or a special State officer or employee of a State agency in the Executive Branch shall not supervise, or exercise authority with regard to personnel actions over, a relative of the officer or employee.

d. As used in this section, "relative" means an individual's spouse or the individual's or spouse's parent, child, brother, sister, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half brother or half sister, whether the relative is related to the individual or the individual's spouse by blood, marriage or adoption.

Attorney General Opinion 06-0006 addresses the issue of the application of the anti-nepotism provision, *N.J.S.A. 52:13D-21.2*, to previously hired employees and advises that a State employee is not required to be terminated when a relative is subsequently appointed to a high level position within the agency. However, arrangements must be made to prohibit the relative's involvement in the exercise of authority, supervision, or control with regard to the incumbent holder of the affected State office or position.

The casino-related provisions of the Conflicts Law also contain prohibitions that apply to a State official's immediate family members, defined in *N.J.S.A. 52:13D-13(i)* as the person's spouse, child, parent or sibling residing in the same household. *N.J.S.A. 52:13D-17.2(b)* deals with the concurrent casino-related employment of immediate family members while *N.J.S.A. 52:13D-17.2(c)* deals with post-employment situations of immediate family members. These two provisions are discussed below under "Casino-Related Prohibitions."

The Commission has addressed various family member issues over the years, primarily under the application of sections 23(e)(3), unwarranted privilege, 23(e)(4), direct or indirect personal financial interest that might reasonably be expected to impair objectivity and independence of judgment, and 23(e)(7), the appearance of impropriety. Summarized below are sample Commission cases that address a number of common family member scenarios. It should be noted that these cases were decided prior to the March 2006 Nepotism amendment.

M-3

**STATE EMPLOYMENT**

**Family Members Employed by the Same Agency.** In Case No. 27-91, the Commission considered whether the spousal relationship of the Chief of the Department of Labor Appeal Tribunal and her husband, a member of the Department of Labor Board of Review ("Board"), gave rise to a conflict of interest or appearance of a violation of the public trust. The Appeal Tribunal reviews determinations of the Division of Employment Security that are appealed by an aggrieved or dissatisfied claimant. The three-member Board of Review decides appeals of decisions issued by the Appeal Tribunal. The Chief did not decide cases; her job duties consisted of devising strategy and creating administrative policies for the Appeal Tribunal.

The Board adopted a policy precluding the Member from reviewing or having any connection with decisions issued by the Chief on those rare occasions when it was necessary for the Chief to conduct a hearing and function as an Appeals Examiner. The Commission concurred with the Deputy Attorney General who represented the Board that the recusal policy in place at the Board was a sufficient mechanism to avoid a conflict situation.

In Case No. 19-98, the Commission issued a complaint charging the Chairman of the Ocean County Soil Conservation District, Department of Agriculture, with violating sections 23(e)(4) and (7) of the Conflicts Law when he participated in a controversial matter pending before the District Board in which his brother, an employee of the District, had substantial involvement and for voting on matters that involved personnel and salary issues affecting his brother.

**Supervisor/Subordinate Relationships.** In Case No. 1161-83, the Commission considered whether a situation where spouses worked for the same agency and had a supervisor-subordinate relationship constituted a conflict of interest. This situation was reviewed under the application of section 23(e)(4) of the Conflicts Law which prohibits State employees from acting in their official capacity in a matter wherein they have a direct or indirect personal financial interest that might reasonably be expected to impair their objectivity or independence of judgment.

The Commission determined that one spouse has a direct personal financial interest in the salary and continued employment of the other spouse and thus should not be in a position to provide direct supervision or to take personnel actions such as performance evaluations and salary increases. The Commission advised the agency to take administrative action to resolve the conflict situation, and the agency transferred one of the spouses out of the work unit.

In Case No. 182-93, the Department of Community Affairs requested an opinion as to whether Commission precedent prohibiting family members from having supervisor/subordinate relationships should also apply to non-related individuals who share the same household with the same financial interdependence that the Commission viewed as creating a conflict in spousal situations. The Commission determined that where non-related supervisor/subordinate employees share the same household under circumstances where there is financial interdependence, there must be an intermediate supervisory level between the two and the higher

**M-4**

placed employee should have no supervisory or signing authority regarding personnel matters affecting the subordinate employee.

In Case No. 9-94, the Commission determined that the Conflicts Law was not violated by virtue of the fact that a Manager, Division of Motor Vehicles, Department of Law and Public Safety, worked in the same facility as his two cousins. Because the cousins were not members of the Manager's immediate family, as defined in section 13(i) of the Conflicts Law, the Commission determined that a supervisor/subordinate relationship was not per se prohibited under Commission precedent. The Commission reviewed the specifics of this particular situation and noted that the Manager did not directly supervise his cousins, complete their PARS or sign their time sheets. Thus, it was unlikely there could be an appearance of impropriety by virtue of his cousins working in the same facility.

**Hiring of Family Members.** In Case No. 23-88, the Commission was asked to approve the Department's removal of an employee from his position due to a number of violations of the Department's Code of Ethics. Among the violations was one that the employee secured employment for his daughter with a private organization that received funding from the Department. The employee directly monitored the organization's performance under the contract. After the employee's supervisor learned of his daughter's employment, the employee was relieved of all monitoring responsibilities. After reviewing the various violations, the Commission concurred with the Department's findings and approved the proposed sanction.

In Case No. 32-90, the Commission reviewed an allegation that the Warren County Conservation District ("District") had contracted with the District Manager's wife for financial and bookkeeping services without public announcement or advertisement of the availability of the contractual position. The Commission determined that the circumstances surrounding the contract were violative of section 23(e)(3), the unwarranted privilege section of the statute. The contract between the District and the District Manager's wife was terminated.

In Case No. 34-92, the Commission found indications of violations of sections 23(e)(3), unwarranted privilege, and 23(e)(7), appearance of impropriety, in connection with the Sussex County District ("District") Manager's hiring and supervising of her son. The manager and her son resided in the same household. The Commission ordered that her son's employment with the District be terminated and that a complaint against the District Manager be prepared. The Commission later approved a consent order in this matter.

In Case No. 2-93, the Commission found indications of violations of section 23(e)(3), unwarranted privilege, and 23(e)(7), appearance of impropriety, in connection with the Director of the Library of the Blind and Handicapped's hiring and supervision of her daughter for summer employment. The position was never advertised to the job-seeking public and the Director did not use any of the State contractors who normally performed the services in question. The Commission approved a consent order with the Director.

**M-5**

In Case No. 23-96, the Commission issued a complaint alleging that a Deputy Superintendent of Elections violated the Conflicts Law when, among other activities, she hired and supervised six family members. The Deputy Superintendent entered into a consent order with the Commission.

In Case No. 9-98(B), the Commission reviewed an allegation concerning the hiring of the son of the Director of Human Resources, Department of Corrections (“DOC”), for a position within the DOC. The Director had asked the Chief of the Bureau of Parole if he would be interested in hiring his son while a DOC employee was out on sick leave. The Bureau Chief then forwarded a personnel action request to the DOC Office of Human Resources seeking a freeze exemption to appoint a new employee. The form was signed by the Director. Other individuals were on the certified list who ranked higher than the Director’s son and were not advised of the interim position. The Commission determined that there were indications that the State employee violated sections 23(e)(3) and (7) of the Conflicts Law. The Director entered into a consent order with the Commission.

**STATE PROGRAMS**

In Case No. 30-04, the Commission reviewed an allegation that an Assistant Commissioner, Department of Personnel (“DOP”), used her official position to attempt to place her nephew in the Pilot Program of a course developed by the DOP’s Human Resource Development Institute (“HRDI”) to prepare individuals to take the Law Enforcement Examination. The Assistant Commissioner’s responsibilities included oversight of the HRDI.

The Commission determined that there were indications that the Assistant Commissioner violated sections 23(e)(3) and (7) of the Conflicts Law and authorized the drafting of a complaint. The Assistant Commissioner entered into a consent order with the Commission and agreed to a civil penalty of \$750.

**PRIVATE SECTOR SITUATIONS**

In *Advisory Opinion No. 33*, issued September 17, 1975, the Commission determined that a Member of a County Board of Taxation must disqualify himself from hearing tax appeals when the assessor of the responding city is his second cousin or is more closely related to the Board Member. Because Members of the County Boards of Taxation act in a quasi-judicial capacity, the Commission was guided by cases interpreting the Canons of Judicial Ethics as applied to family member situations. It was noted that the need for unquestionable integrity, objectivity and impartiality is just as great for quasi-judicial personnel as for judges.

In Case No. 344-76, the Commission considered whether the Chief Engineer, Cable Television Section, Department of Public Utilities, was permitted to become involved in a challenge to the award of a franchise by the cable television company of which his son was President. If a company is denied a franchise in a municipality in favor of another company, it is the duty of the Chief Engineer to pass upon the engineering qualifications of the successful applicant. The Commission determined that it would be an appearance of a conflict if the

**M-6**

engineer were to become involved in any way in the challenge of the subject franchise or any future action with respect to the company that employed his son.

In Case No. 651-78, a Member of the New Jersey State Council on the Arts, Department of State, requested advice from the Commission regarding actions affecting a grant recipient. The Member's husband was president of an advertising agency which performed public relations work for the grant recipient. The Member asked if it was necessary for the advertising agency that employed her husband to resign from the account. The Commission determined that it did not have the authority to require the private public relations firm to relinquish the account and recommended that the Member refrain from participation in discussion and voting on any matters pertaining to the grant recipient.

In Case No. 35-79, the Division of Youth and Family Services ("DYFS"), Department of Human Services, requested an opinion from the Commission as to whether there was a violation of the Conflicts Law for a DYFS employee to serve as Administrator of Management Operations while his brother was employed as a salesman for a company that sold equipment to DYFS. The Commission determined that to avoid any potential conflict or appearance of a conflict, the Administrator should in no way be involved in contracts negotiated or executed by DYFS or DHS with the company that employed his brother. Further, in his State capacity, the Administrator should not solicit any State business for nor refer any State business to his brother's employer. Also, neither his brother nor any representatives of the company should call on the Administrator and the Administrator should have no involvement with matters pertaining to the company.

In Case No. 941-80, the Commission determined that it would not violate the Conflicts Law for the Director, Division of Hazard Management ("DHM"), Department of Environmental Protection, to review and approve contracts with an environmental company which was a subsidiary of the company that employed the Director's father-in-law. The parent organization had more than 30 subsidiary companies segmented into 9 control groups. The control group with which the Director's father-in-law was affiliated had no direct relationship with the environmental company that contracted with DHM. The Commission determined that the nexus was too remote to suggest that the Director was acting in his official capacity in a matter wherein he had a direct or indirect personal financial interest that might reasonably be expected to impair his objectivity or independence of judgment.

In Case No. 1176-83, the Commission determined that no conflict would result from the award of the Lottery Commission's advertising contract to the firm that employed the wife of the Deputy Chief of Staff, Office of the Governor, or by her assignment to perform work under that contract. The Commission noted the absence of any indication that the Deputy's spouse's position was offered to her for the purpose or with the intent of influencing him nor was there any evidence that the Deputy had used his position to obtain employment for his spouse with the bidder or to secure her assignment under the proposed contract. There was also no indication of any interest held by the Deputy in the bidder that would bar the contract under section 19, the contracting section of the statute.

M-7

As for the appearance of impropriety, the Commission noted that the Deputy's spouse had obtained employment with the bidder prior to their marriage and long before his appointment as Deputy and that the lack of involvement by him in bidding process matters involving the Lottery Commission, on the part of the Governor's Office, would substantially ameliorate any appearance problems. The Commission based its advice on the assumption that he would have no duties concerning this contract or the Lottery Commission in general, such as appointment of members, which might raise impairment of objectivity issues due to his personal financial interest in his spouse's employment. The Commission also cautioned the Deputy that willful disclosure or use of information not generally available to the public received or acquired in the course of or by reason of official duties is prohibited.

In Case No. 25-84, the Commission considered whether it was a conflict of interest for the Ombudsman, Department of Corrections, to handle inmate complaints concerning Corrections Officers represented by the union of which her husband was State President. The Ombudsman was generally responsible for receiving, investigating and making recommendations concerning complaints received from persons incarcerated or on parole. The Commission determined that the Ombudsman and the Department should be advised that it is not consistent with the Conflicts Law for her to have involvement as Ombudsman in handling complaints concerning Correction Officers represented by the Union while her husband served as President. The advice was based on considerations of indirect interest, impairment of objectivity and appearance of impropriety.

In Case No. 14-85, the Commission approved the Department of Education's handling of a matter wherein the Program Manager, Gifted Education Contracts, Division of General Academic Education, recommended that her husband be employed as a consultant to the Division. The employee also recommended her husband as a consultant to a school district which received funding from the Department for a project related to the education of gifted students. The Department determined that the manager's recommendation of her husband as a Division consultant was violative of the Conflicts Law. She was also advised that she should not implicitly or explicitly make recommendations to local districts as to consultants or programs for gifted and talented education with which she has a direct or indirect relationship.

In Case No. 17-85, the Commission determined that the Medical Director, Division of Disability Determinations ("DDD"), did not use her official position to advance her husband's private medical practice. As a private practitioner in the field of internal medicine, her husband worked in conjunction with the DDD as a Consultative Examining Physician ("CEP"). The Commission based its determination on the fact that while the Medical Director's responsibilities placed her in direct contact with CEPs, she recused herself from all involvement regarding her husband and/or his specialty of internal medicine. The Medical Director had no direct control over the scheduling of examinations between DDD clients and CEPs. In addition, while it was the Director's responsibility to review a physician's qualifications prior to acceptance as a CEP, her husband became a CEP four years before she became Medical Director.

In Case No. 25-85, the Commission determined that the Chief, Bureau of Construction Code Enforcement ("BCCE"), Department of Community Affairs, violated the Conflicts Law by

**M-8**

soliciting and receiving, on behalf of his daughter, a scholarship award from an organization whose members were regulated by the BCCE. The Chief's daughter received the award for academic year 1983. In 1984, she applied personally for the scholarship. The organization's Board of Directors questioned the propriety of awarding the scholarship to the daughter of the Chief of the BCCE and advised the Chief that the award would not be granted until the conflicts issue was resolved. The Commission determined that the Conflicts Law was violated and ordered the Chief to reimburse the organization for the amount of scholarship monies awarded to his daughter.

In Case No. 9-86, the Commission considered a request for advice as to whether a nominee to the Racing Commission was in a conflict situation due to his son's business relationship, as an insurance broker, for an organization regulated by the Racing Commission. The Racing Commission does not regulate the selection of insurance brokers but does require that a surety bond be submitted by the track owner's insurance broker. The nominee's son provided this bond to the Racing Commission. The Commission determined that there was no conflict of interest per se; however, the nominee was cautioned to abstain from discussions and voting on any insurance matters that came before the Racing Commission.

In Case No. 27-89, the Commission considered whether a Casino Control Commission Member was required to recuse herself on matters where one of the parties was represented by a law firm for whom her father worked as an accountant. The Commissioner had been associated with the same law firm that employed her father prior to entering State service. The Commissioner had recused herself on eight previous occasions. The Commission determined that the Commissioner should continue to recuse herself from all matters related to the law firm in order to support her ability to render independent decisions and to be so perceived.

In Case No. 42-90, the Chairman of the Casino Control Commission ("CCC") requested an opinion as to whether he was required, under the operation of the Casino Control Act, the CCC Code of Ethics or the Conflicts of Interest Law, to recuse himself from matters involving his brother-in-law, a credit executive with a casino hotel, and/or his brother-in-law's employer. The Commission determined that the Chairman should recuse himself from participation in any matter involving his brother-in-law or the credit department of the casino hotel by which he was employed and advised him that his intention, in any matters involving his brother-in-law's employer, to advise the interested parties on the record of his relationship and to provide the opportunity for any interested party to seek his recusal was an adequate measure to protect the public interest.

In Case No. 245-93, the Commission reviewed an allegation that the Administrator, Office of Set-Aside and Certification, Department of Commerce, certified a business owned by his son for eligibility to participate in a program administered by his office. The Commission determined that the employee violated section 23(e)(3), the unwarranted privilege provision, section 23(e)(4), the prohibition against acting in one's official capacity if one has a direct or indirect personal financial interest in a matter, and section 23(e)(7), the appearance provision, in regard to certifying a business owned by his son. The Administrator should have delegated another employee in the office to handle his son's application.

**M-9**

In Case No. 1202-93, the Commission reviewed an allegation that the Director, Division of Administration, Department of Education, used his position to influence the award of grants and contracts to a school district employing his son. The Commission noted that most of the State funding to local school districts was awarded based on a statutorily mandated formula. Discretionary grants decisions are made by Program Division Heads with the Commissioner. The Division of Administration monitors and verifies the fiscal and statutory accuracy of grants and contracts after award decisions are made. The Commission voted to dismiss the complaint; however, the Director was advised to abstain from involvement in any matter which directly impacted his son's employment.

In Case No. 23-97, the Chief Planner, Hackensack Meadowlands Development Commission ("HMDC"), requested an opinion regarding her involvement on projects that directly or indirectly involve her husband's new employer. Her husband's employer was the environmental and engineering consultant on a project for which the Planner had been coordinator for ten years. Her husband had no involvement with the project. The Commission determined that the Planner could have no official involvement with projects that directly or indirectly involved her husband's employer regardless of whether her husband actually worked on the project.

In Case No. 23-98, the Senior Staff Engineer, HMDC, requested an opinion regarding her involvement on projects that directly or indirectly involve her husband. Her husband operated a consulting company and had been retained as a subcontractor to conduct an alternative site analysis required the Army Corp. of Engineers. The State employee had been asked to assist in the review of the hydrology and hydraulics for the project in question. Her involvement would include the writing of a scope of work document to hire a consultant to review the hydraulics and hydrology prepared by the consultant and to act as a liaison. The Commission noted that even though the two tasks, the State employee's involvement with the hydraulics and hydrology segment of the project and her husband's involvement in the alternate site analysis, are unrelated, due to the high profile nature of the project and the controversy surrounding it, it was conceivable that the participation of family members on the project could become an issue. The Commission determined that, because the HMDC could easily assign another engineer to perform the hydraulics and hydrology review, there appeared to be no reason, under these facts, to grant an exception to the existing HMDC policy, affirmed by the Commission in *Case No. 23-97*.

In Case No. 17-01, the Acting Chief Engineer, HMDC, requested that the Commission review its decision in Case No. 23-98 because her husband had not been involved with the project in question since July 1999. The Commission advised the Acting Chief Engineer that because her husband was no longer employed by the subcontractor and was not involved in the project, she was not precluded from having official involvement in the project.

In Case No. 14-01, the Acting Chief Engineer, HMDC, requested an opinion regarding her involvement in a project that was being performed by a firm that recently hired her brother-in-law. The Commission determined that the Acting Chief Engineer should recuse herself from

**M-10**

any involvement in matters involving the firm as long as her brother-in-law was employed by the firm.

**Dating Relationships.** In Case No. 16-99, the Ombudsman for the Institutionalized Elderly, Division of Senior Affairs, Department of Health and Senior Services, developed a dating relationship with a vendor to the Division. The vendor initially contracted with another State agency and later contracted with the State employee's division to develop a software program. The development and implementation of the software program was a multi-phase project. During the period of the project, the Ombudsman began a social and personal relationship with the vendor and worked on and signed licensing and maintenance agreements on behalf of the Division with the vendor. Shortly thereafter, the Ombudsman sought additional funding for the vendor to supply additional services.

The Commission determined that there were indications that the Ombudsman violated sections 23(e)(3), (4) and (7) of the Conflicts Law. The Commission determined that under the applicable sections of the statute and the Commission's precedent, the State employee should have recused herself from any official involvement with the vendor after her social and personal relationship began. The Commission entered into a consent order with the employee.

In Case No. 43-98, the Commission determined that the Assistant Executive Director of New Jersey Transit ("NJT") used his official position to secure an unwarranted advantage for his fiancé, an Account Executive at an insurance company. The insurance company was invited to provide additional insurance to NJT employees. NJT sent out letters to employees on NJT stationery, produced posters, and made insurance company sales representatives available on NJT premises. The Assistant Executive Director's fiancé received commissions on sales to NJT employees. The Assistant Executive Director entered into a consent order with the Commission.

**Agency Contracts.** In Case No. 38-01, the Commission determined that the Director, Juvenile Sex Offender Treatment Services, Juvenile Justice Commission ("JJC"), was prohibited from acting as a co-trainer with his wife as long as he was employed in his current position at the JJC. The Director's wife began contracting with the JJC in 1997, prior to his being hired by the agency. The Director had been assisting as a co-trainer since 1997. The Director's wife was paid the same fee as all other trainers. The Director was not compensated for his participation. The Commission determined that the Director's involvement as a co-trainer raised appearance concerns because of the financial interdependence of the parties.

In Case No. 25-00, the Commission determined that the Executive Director of the Communications Institute at Rowan University violated the Conflicts Law by awarding a subcontract to a firm in which he and his adult children had a financial interest. The Director entered into a consent order with the Commission.

M-11

**CASINO-RELATED PROHIBITIONS**

*N.J.S.A. 52:13D-17.2(b)* provides:

No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, ... except that (1) a State officer or employee other than a State officer or employee included in the definition of person, and (2) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person....

Section 17.2(b) addresses the issue of concurrent employment. Prior to 1993, section 17.2(b) prohibited all State officers and employees and members of their immediate families from holding an interest in, holding employment with, representing, appearing for, or negotiating on behalf of the holder of or applicant for a casino license or any holding or intermediary company with respect thereto. In December 1993, the Legislature amended the statute to provide that a State officer or employee, other than a State officer or employee included in the definition of "person" set forth in section 17.2(a), or a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of or applicant for a casino license if, in the judgment of the State Ethics Commission, such employment will not interfere with the responsibilities of the State officer or employee or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest on the part of the State officer or employee, or person. Since 1994, the Commission has granted numerous waivers pursuant to the authority granted to it under the amendment.

*N.J.S.A. 52:13D-17.2(c)* and (d) address casino-related post employment restrictions. See appendix H for a discussion of these restrictions.

M-12

**CODES OF ETHICS**

Codes of Ethics specific to a particular agency may also contain provisions applicable to family members. State officers and employees should review their agency's code of ethics or consult with their agency Ethics Liaison Officer to determine whether the Code contains any provisions applicable to family members.

**OTHER STATUTORY PROVISIONS**

Statutory provisions and/or administrative regulations specific to a particular agency may also contain prohibitions applicable to family members. In Case No. 21-72, the Commission received a request for advice regarding whether an appointee to the Board of Trustees of the Commission for the Blind could hold that position in light of the fact that the appointee's husband was an employee of the Commission for the Blind. The Commission sought an opinion from the Attorney General's Office because the determination turned on the interpretation of *N.J.S.A. 30:40-1* which provides that at least two members of the Board of Trustees of the Commission for the Blind shall themselves be legally blind but shall not be employees or related by blood, marriage or adoption to any employee of the Commission for the Blind. The appointee in question was legally blind; however, the Attorney General's Office advised that *N.J.S.A. 30:4-1* precluded the appointee from serving in such capacity because she was married to an employee of the Commission.

State officers and employees should consult with their agency Ethics Liaison Officer to determine whether there is any statutory provision or regulation that prohibits the agency's employment of or other contractual relationship with family members. The Commission does not have jurisdiction to interpret these provisions and refers such inquiries to the Attorney General's Office.

**SUMMARY**

**2006 Nepotism Amendment.** The Conflicts Law was amended, effective March 15, 2006, to prohibit certain relatives of certain State officials from holding particular governmental positions and also to prohibit State officials from supervising, or exercising authority with regard to personnel actions over, a relative of the State official.

**Commission Precedent.** In the case of spouses who work for the same agency, the Commission has determined that supervisor/subordinate relationships are not permitted because one spouse has a direct financial interest in the salary and continued employment of the other spouse and thus should not directly supervise or take personnel actions in regard to the spouse. This policy is also applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations.

In regard to other family members working for the same State agency, the cases are fact sensitive. The Commission considers such factors as whether the individuals reside in the same household; the degree of the relationship; whether there is financial interdependence; the size of

**M-13**

the work unit in question; whether there is direct supervision; and whether one family member is responsible for taking personnel actions that affect the other family member.

With respect to the hiring of family members, the Commission looks at the totality of circumstances surrounding the hiring to determine whether any unwarranted privilege has been afforded the family member.

As to interactions with family members or their private sector employers, the Commission generally recommends recusal from matters involving the relative and/or the relative's employer in order to eliminate any appearance of impropriety.

In the case of individuals involved in a dating relationship, the Commission has found violations of the unwarranted privilege and appearance sections of the statute in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship.

In regard to the family-member casino-related prohibitions of sections 17.2(b) and 17.2(c), waivers may be requested by contacting the State Ethics Commission. Waivers will be granted if, in the judgment of the Commission, such employment will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest.

**EXHIBIT A**

**PLAIN LANGUAGE GUIDE TO  
NEW JERSEY'S EXECUTIVE BRANCH  
ETHICS STANDARDS**

**Revised June 2014**

**EXHIBIT A**

TABLE OF CONTENTS

INTRODUCTION .....3

PRINCIPALS OF ETHICAL CONDUCT .....3

GENERAL STANDARDS OF CONDUCT.....4

GIFTS, FAVORS, SERVICES AND OTHER THINGS OF VALUE.....5

COMPENSATION FOR OFFICIAL DUTIES ..... 5

ATTENDANCE AT EVENTS: HONORARIA, ACTIVITIES AND EXPENSES.....5

POLITICAL ACTIVITY .....8

OUTSIDE EMPLOYMENT/ACTIVITIES..... 9

CONFLICTS OF INTEREST .....10

RULES REGARDING PUBLISHED WORKS ..... 11

CONFIDENTIAL INFORMATION ..... 12

USE OF OFFICIAL STATIONERY ..... 12

SEEKING FUTURE EMPLOYMENT/POST-EMPLOYMENT RESTRICTIONS ..... 13

NEPOTISM.....13

RECUSAL .....14

FINANCIAL DISCLOSURE ..... 15

THE COMMISSION ..... 15

COMPLAINTS AND INVESTIGATIONS ..... 15

PENALTIES ..... 16

ADVISORY OPINIONS ..... 16

INFORMATION ON RELATED OFFICES..... 17

**EXHIBIT A****INTRODUCTION**

This is a Guide for State officers and employees and special State officers and employees in the Executive Branch of New Jersey State Government. If you are one of these persons, you should read this Guide carefully. It explains the ethics rules and laws found in the New Jersey Conflicts of Interest Law (“Conflicts Law”), *N.J.S.A. 52:13D-12 et seq.*, and in the rules of the State Ethics Commission, *N.J.A.C. 19:61-1.1 et seq.* In addition to those laws and rules, you are also bound by the Uniform Ethics Code and any supplemental ethics code adopted by the agency for which you work. You are responsible for knowing the laws and rules described in this Guide, as well as the specific policies and procedures of your particular agency.

As we in State government do our work, it is important that the public have the highest degree of confidence in our conduct. Our fellow employees depend on us to make lawful, ethical decisions. This Guide provides general information on the minimum ethical standards and does not have the force and effect of law. It does not replace any actual laws or rules, and it does not address every ethical restriction contained in the laws and rules it summarizes. It does not cover the requirements contained in your agency’s supplemental ethics code, to which you are also subject if your agency has adopted such a code. Ethical issues may also be addressed in procurement, personnel, and travel rules, as well as in open meetings, open records, and criminal laws. The statutes creating your agency may also contain ethical prohibitions. In addition, members of particular professions (such as lawyers and accountants) are subject to their own codes of professional responsibility.

Information in this Guide derives from detailed statutes, regulations, and executive orders. There are, however, simple principles that will guide you through the details.

**PRINCIPLES OF ETHICAL CONDUCT**

- **Exploitation of Official Position.** You may not use your position to secure a job, contract, governmental approval or special benefit for yourself, a friend or family member.
- **Compensation for Official Duties.** Your paycheck is your only permitted compensation. You may not accept any other compensation for performing your State job.
- **Gifts and Favors.** You may not accept any gift of more than nominal value related in any way to your official duties.
- **Attendance at Events: Honoraria, Activities, and Expenses.** You may not be “wined and dined” by people with whom your agency conducts business. You may not accept honoraria. Official travel reimbursements require prior approval from your agency or the Ethics Commission.
- **Outside Employment, Business Interests and Political Activity.** You must disclose to your agency any outside employment, business interests and political activities, compensated or uncompensated, in which you engage. You must obtain prior approval before commencing any secondary employment or business activity.
- **Conflicts of Interest.** You may not act in any official matter in which you, your family, or your close friends have a direct or indirect personal or financial interest. Rather, you should recuse yourself and ask someone else to perform the State task.
- **Prior Business Relationships.** You may not have any involvement in official matters that involve any private sector individual or entity that employed you or did business with you during the one year prior to the commencement of your State employment.

**EXHIBIT A**

- **Prohibition on Use of Confidential Information.** You may not disclose confidential information acquired through your position to any unauthorized person.
- **Nepotism.** You may not hire, promote, or supervise a relative.
- **Post-Employment Lifetime Restrictions.** After you leave public employment, you may not represent or assist a person concerning a particular matter if you were substantially and directly involved in that particular matter while in State employ. Further, you may not use or disclose any information not generally available to members of the public, gained during the course of your employment.
- **When in Doubt, Ask!** If you think you have a conflict of interest or are unsure of any of these rules, ask your Ethics Liaison Officer (“ELO”) or the Commission. If you suspect any wrongdoing, report your suspicion. Complaints may be made anonymously to the Commission and are kept confidential.

If you have questions (and most of us do, from time to time), you should contact your supervisor, Department Head or ELO. Most of the reporting requirements discussed in this Guide refer you to your agency’s ELO. A list of ELOs is available at [www.nj.gov/ethics/agency](http://www.nj.gov/ethics/agency). You may also address questions directly to the State Ethics Commission (which we refer to in this Guide as the “Commission”).

To obtain more information, call the Commission at (609) 292-1892 or 1-888-223-1355. You may also visit our web site at [www.nj.gov/ethics](http://www.nj.gov/ethics).

**GENERAL STANDARDS OF CONDUCT**

These rules promote the principle that public office is a public trust. Where government is based upon the consent of its citizens, the public is entitled to have complete confidence in the integrity of government. The business of New Jersey must be conducted in a manner intended to assure the citizens of our State that the character and conduct of its officials and employees are above reproach. To achieve this result, the State has ethics rules that are general in nature, as well as rules that deal with very specific situations. Under the general rules, you must **not**:

- have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of your duties in the public interest;
- use or attempt to use your official position to secure privileges or advantages for yourself or others;
- act in your official capacity in any matter in which you have a direct or indirect personal financial interest that might reasonably be expected to impair your objectivity or independence of judgment; or
- knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of your acts that you may be engaged in conduct violative of your trust as an officer or employee of the State.

These rules apply if you are a State officer or employee (holding office or employment in a State agency or a full-time New Jersey member of an interstate agency) or a special State officer or employee (holding office or employment in a State agency for which you receive no compensation, except possibly reimbursement of expenses, a part-time employee or a New Jersey member of an interstate agency if your duties are not full-time).

**EXHIBIT A****GIFTS, FAVORS, SERVICES AND OTHER THINGS OF VALUE**

Upon the recommendation of the Special Counsel for Ethics Review and Compliance, the Commission has adopted a zero tolerance policy for acceptance of gifts offered to you, your spouse, immediate family member, partner or associate, that are related in any way to your official duties. Unless you are permitted to receive the gift or thing of value in accordance with the Commission's rules on attendance at events, you, your spouse, immediate family member, partner or associate shall not accept, either directly or indirectly, any gift, favor, service or other thing of value related in any way to your official public duties. Some things of value are obvious, such as money, stock, debt forgiveness, real estate, or automobiles. But less obvious things also have value, including offers of employment, loans, labor, rebates, price discounts, entertainment, and meals.

**Reporting Requirement.** You are required to disclose and remit to your ELO any offer or receipt of a thing of value from any person or entity.

**Unsolicited Gifts of Nominal Value.** Unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts received as a result of mass advertising mailings to the general business public may be retained by the recipient or the recipient's department for general use if such use does not create an impression of a conflict of interest or a violation of the public trust. The receipt of such complimentary articles is not required to be reported to the ELO.

**Caution Against Inappropriate Uses.** An item that is otherwise permissible to accept might be impermissible if it is used or displayed in an inappropriate manner. For instance, an official in a regulatory agency should not use a pocket calendar conspicuously marked with the name of a company that is regulated by the agency, as this might create the impression of favoritism. A State agency should not display in any of its offices a wall calendar from a vendor, as this might create the impression of an endorsement.

**Gifts in the Workplace.** A State employee is permitted to give or receive a gift from a co-worker, a supervisor or a subordinate. The gift should not be excessive or inappropriate for a business environment. Such gift shall not be reported to the ELO.

**Other Resources.** For a more complete discussion of this subject, see *Guidelines Governing Receipt of Gifts and Favors by State Officers and Employees*, [www.nj.gov/ethics/statutes/guide/giftcode.html](http://www.nj.gov/ethics/statutes/guide/giftcode.html), and N.J.A.C. 19:61-6.9, [www.nj.gov/ethics/statutes/rules/](http://www.nj.gov/ethics/statutes/rules/).

**COMPENSATION FOR OFFICIAL DUTIES**

**Your State Paycheck is Your Only Permitted Compensation.** The only compensation or other thing of value that you are allowed to accept for doing your State duties is your State paycheck. Payment or reimbursement of your expenses for attending events is not compensation, and is addressed below under the heading "Attendance at Events: Honoraria, Activities, and Expenses."

**Other Resources.** For a more complete discussion of this subject, see the Commission's guidelines on various topics, at [www.nj.gov/ethics/statutes/guide/](http://www.nj.gov/ethics/statutes/guide/).

**ATTENDANCE AT EVENTS: HONORARIA, ACTIVITIES, AND EXPENSES**

An *event* is any meeting, conference, seminar, speaking engagement, symposium, training course, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, social function, or similar event that takes place away from your work location, is sponsored or co-sponsored by a supplier or a non-State government source and the invitation for which is extended to you because of your official position.

**EXHIBIT A**

Meetings that you attend at other State agencies in the course of your official duties are not *events*.

- You must obtain prior approval from your ELO to attend any event.
- You are not allowed to accept an honorarium or fee for a speech or presentation at an event.
- You are not allowed to use your official title for the purpose of fundraising for a private organization (whether at an event or elsewhere).
- Regardless of the sponsor or the purpose of the event, you are permitted to accept nominal refreshments such as nonalcoholic beverages and snacks (doughnuts, pastries and cookies).

***If the Event is Not Sponsored by an Interested Party*** (See definition below)

The State may pay your reasonable expenses associated with attending the event or it may permit you to accept (but not from an interested party) travel, meals, accommodation, waiver of conference or event fees or any other costs associated with attending the event, or reimbursement for such costs.

You are prohibited from accepting entertainment that is collateral to the event, such as a golf outing, or meals taken other than in a group setting with all attendees, or reimbursement for such items.

**Examples:** An employee of the Office of Economic Growth has been invited, by the Mexican Tourist Bureau, an agency of the Mexican government, to attend a series of meetings on promoting tourism in both countries. The employee will be giving a speech at a dinner on the final day of the meetings and has been offered a \$500 honorarium. The employee may attend the meetings, but is not permitted to accept an honorarium in connection with his speech. He may accept, directly or by reimbursement, actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State, not to exceed the statutory limit of \$500.

A local non-profit organization would like to hold a dinner/fundraiser honoring a Technical Assistant from the Department of Banking and Insurance who has been a long-time supporter of the organization. The organization plans to use the Technical Assistant's picture, name, and official title on the promotional literature. The Technical Assistant may attend the event, but is prohibited from allowing the use of his official title for fundraising purposes.

***If the Event is Sponsored by an Interested Party***

***An interested party is:***

- *a person or entity that is or may reasonably be anticipated to be subject to the regulatory, licensing, or supervisory authority of your agency, or any employee, representative or agent of that person or entity;*
- *a supplier to your agency (meaning any person or entity that is providing or is seeking to provide or may reasonably be expected to provide goods and/or services to your agency) or any employee, representative, or agent of a supplier;*
- *an organization that advocates or represents the positions of its members to your agency; or*
- *an organization a majority of whose members are interested parties.*
- *In general, an interested party is any person or entity that you or your agency deal with, contact, or regulate in the course of official business.*

**EXHIBIT A**

You or the State must pay your reasonable expenses associated with attending the event, and neither you nor the State can receive travel, meals, accommodation, waiver of conference or event fees or any other costs associated with attending the event, or reimbursement for such costs, from any source. There may be an exception to this rule if you take an active role in the event (see below).

***If You Take an Active Role in the Event.*** If an event is designed to provide training, dissemination of information, or the exchange of ideas, and you will be making a speech, participating in a panel at the event, or acting as an accompanying resource person for the speaker and/or participant, you must seek approval from your ELO. If he or she determines that doing so will not create a conflict or the appearance of one, your ELO can permit you to attend the event and permit the interested party sponsor to reimburse or pay for the following expenses associated with attending the event, if those expenses are not paid for by the State:

- ***Allowable Entertainment Expenses*** -The costs for a guest speaker, incidental music, and other ancillary entertainment at any meal at an event, provided they are moderate and not elaborate or excessive; but not the costs of personal recreation, such as being a spectator at or engaging in a sporting or athletic activity which may be offered as part of that event.
- ***Actual and Reasonable Expenditures for Travel or Subsistence*** – Includes commercial travel rates directly to and from the event and food and lodging expenses which are moderate and neither elaborate nor excessive. For an event outside New Jersey, this amount must not exceed \$500 per trip, for expenditures for travel or subsistence and entertainment expenses that are not paid for by the State of New Jersey. The \$500 per trip limitation does not apply if the reimbursement or payment is made by:
  - a nonprofit organization and you are an active member of the organization because the State pays a membership fee or charge;
  - a nonprofit organization that does not contract with any State agency to provide goods, materials, equipment, or services;
  - any agency of the federal government or a private sector entity with a contract with a federal agency to provide meeting, conference, travel or related services;
  - any agency of another state or of two or more states; or
  - any political subdivision of another state.

**Examples:** An employee of the Department of Environmental Protection has been invited to attend a conference of the Association of Environmental Authorities and has been asked to present a short program to explain a new series of forms being proposed by the Department. The Association has offered to waive the \$200 conference fee; the conference program includes morning and afternoon refreshments and lunch. If the ELO approves the employee's attendance and participation in the conference, the employee may accept the waiver of the fee and the refreshments and meal included in the program. A copy of the ELO's approval must be forwarded to the Commission.

The Motor Vehicles Commission is considering the purchase of new pollution-testing equipment. One of the companies that plans to submit a bid invites several MVC employees to a demonstration of the equipment to be held at a hotel conference center. A seafood buffet will be served after the demonstration. With proper approval, the employees may attend the demonstration, but because the company plans to submit a bid to provide this equipment, and is therefore an interested party with respect to the MVC, the employees may not partake of the seafood buffet at the expense of the vendor. The employees may, however, pay the cost of the buffet personally.

Three employees from different units of the Department of Transportation are responsible for weekly monitoring of a construction project. Each Friday morning, they meet with the contractor's representative at the site field office to review the week's progress and to assess projected schedules. The meetings generally last one to two hours; coffee is available, but no other refreshments or meals are served or

**EXHIBIT A**

offered. Because no direct or indirect benefits are offered or provided, and because the meetings are part of the employees' job responsibilities, the meetings are not considered "events" for the purposes of this Guide.

***Considerations in Granting Approval.*** Your ELO must determine whether a legitimate State purpose will be served by your attendance at an event, and must consider applicable laws, regulations, the Uniform Ethics Code, any agency supplemental ethics code, guidelines, departmental administrative policies, and any other relevant considerations. These might include the identity of the sponsor and the other participants, the purpose of the event, whether the event will assist you in carrying out your official duties and support your agency's mission, and the value and character of the costs, and/or benefits provided by the sponsor (including whether they are comparable to those offered to or purchased by other attendees). In some instances, the ELO is required to forward the approval to the Commission for review.

***Scholarly Capacity.*** Special rules apply to State officials acting in a scholarly capacity, as that term is defined in *N.J.A.C. 19: 61-6.2*. State officials acting in a scholarly capacity may accept honoraria related to their scholarly activities, and must complete an annual disclosure form that discloses reimbursement for any travel, subsistence or entertainment expenses, honoraria, academic prizes, or other things of value related to activities performed in a scholarly capacity that were received during the prior calendar year.

***Other Resources.*** For a more complete discussion of this subject, see *N.J.A.C. 19:61-6.1 to -6.8*, at [www.nj.gov/ethics/statutes/rules/](http://www.nj.gov/ethics/statutes/rules/).

**POLITICAL ACTIVITY**

You are permitted to be involved in partisan political activities, provided there is no provision in your agency's supplemental code of ethics prohibiting those activities. The supplemental ethics codes of the Election Law Enforcement Commission, the State Ethics Commission, and several other agencies have specific provisions prohibiting such activities. Under no circumstances may you use State time or State resources in pursuit of political activities. You should notify your ELO prior to engaging in partisan political activities so that your situation can be reviewed to determine what, if any, restrictions apply.

The restrictions on your soliciting or accepting things of value do not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office. However, you cannot accept a campaign contribution if you know it is being given in lieu of a payment that you would otherwise be prohibited from accepting.

***Federal Hatch Act.*** On December 19, 2012, Congress passed the Hatch Act Modernization Act of 2012. The Act allows State and local government employees to run for partisan political office unless the employee's salary is paid for entirely by federal loans or grants. Prior to this change, State and local government employees were prohibited from running for partisan office if they worked in connection with programs financed in whole or in part by federal loans or grants. The Hatch Act continues to prohibit covered State or local government employees from engaging in coercive political conduct or misusing their official authority for partisan purposes.

***Covered State and Local Employees May:***

- run for public office in partisan elections;
- actively campaign for candidates for public office in partisan and nonpartisan elections; and
- contribute money to political organizations and attend political fundraising functions.

***Covered State and Local Employees May Not:***

**EXHIBIT A**

- use official authority or influence to interfere with or affect the results of an election or nomination; or
- directly or indirectly coerce contributions from subordinates in support of a political party or candidate.

The Hatch Act is a federal statute, not under the jurisdiction of the Commission. An interested party may request an advisory opinion from the Office of Special Counsel, Hatch Act Unit, 1730 M Street, N.W., Suite 300, Washington, D.C. 20036-4505. Telephone: 800-85-HATCH (800-854-2824) or 202-254-3650. You may also visit the website of the United States Office of Special Counsel, at [www.osc.gov](http://www.osc.gov).

**Other Resources.** For a more complete discussion of this subject, see “State Employees’ participation in Political Activities,” [www.nj.gov/ethics/statutes/guide/political\\_activities.html](http://www.nj.gov/ethics/statutes/guide/political_activities.html).

**OUTSIDE EMPLOYMENT/ACTIVITIES**

**Special Rules Applicable to Designated State Officers.** The Governor, the Attorney General, Commissioners of State agencies, heads of the other Executive Branch departments, specified members of the Governor’s staff, and certain other persons are identified in *N.J.S.A. 52:13D-24(d)* as **designated State officers**. These persons are subject to stricter rules which generally prohibit them from receiving any compensation, salary, honoraria, and other forms of income from any source other than their State paycheck.

Unless you are a **designated State officer**, you may have a second job or personal business interest and engage in an outside volunteer activity, but only if it is compatible with your agency rules and your State responsibilities. You must **not**:

- undertake any employment or service which might reasonably be expected to impair your objectivity and independence of judgment in the exercise of your official duties;
- engage in any business, profession, trade, or occupation that is subject to licensing or regulation by a specific agency of State Government, without promptly filing notice of that activity with the Commission;
- engage in any business, transaction, or professional activity that is in substantial conflict with the proper discharge of your duties in the public interest; or
- use State time, personnel, or other State resources for the other job or activity.

Neither you nor your immediate family members can hold employment with a holder of or applicant for a casino license unless the Commission grants a waiver. To ask for a waiver, contact the Commission. Neither you nor your immediate family members can hold an interest in, or represent, appear for, or negotiate on behalf of a holder of or an applicant for a casino license.

Prior to engaging in any outside employment or other activity, you must obtain approval from your agency. Ask your ELO.

If you are not certain whether you are permitted to take on a job or other outside activity according to these rules, you should ask the Commission for an advisory opinion. These cases are frequently very fact-sensitive, and the Commission decides each individually.

**Other Resources.** For a more complete discussion of this subject, see *Guidelines Governing Outside Activities*, at [www.nj.gov/ethics/statutes/guide/outsideact\\_guide.html](http://www.nj.gov/ethics/statutes/guide/outsideact_guide.html). See also, *Outside Activity Questionnaire*, at [www.nj.gov/ethics/statutes/guide/outsideact.html](http://www.nj.gov/ethics/statutes/guide/outsideact.html).

**EXHIBIT A**

**CONFLICTS OF INTEREST**

As a State officer or employee or special State officer or employee, you are prohibited from acting in your official capacity in any matter in which you have a direct or indirect personal or financial interest that might be expected to impair your objectivity or independence of judgment. As a practical matter, this means that you should not participate, even informally, on a matter in which you have a personal or financial interest.

*You could have an incompatible personal or financial interest through such things as:*

- A purchase, sale, lease, contract, option, or other transaction;
- Property or services;
- Employment or negotiations for prospective employment; and
- Your relationship to a party involved in the matter, such as a relative, cohabitant, or person who is providing funds, goods or services to you.

The Conflicts Law contains an exception that permits you to represent yourself in negotiations or proceedings concerning your own interest in real property.

***Prohibitions on Contracts with a State Agency***

***Special State Officers and Employees.*** You may not knowingly undertake or execute any contract, agreement, sale or purchase valued at \$25 or more with the State agency with which you are affiliated if you have any duties or responsibilities in connection with the purchase or acquisition of property or services. This prohibition also applies to your partners and to any corporation that you control, or in which you own or control more than 1% of the stock. The prohibition does not extend to other State agencies.

***State Officers and Employees.*** You, along with your partners or any corporation you control or in which you own or control more than 1% of the stock, may not knowingly undertake or execute any contract, agreement, sale or purchase valued at \$25 or more with any State agency, *whether or not* it is the agency for which you work.

***Limited Exceptions to these Prohibitions.*** Three categories of contracts are exempt from the general prohibition on contracting with the State. However, before entering into a contract falling within any of these categories, approval must first be obtained from the Commission. The three categories are:

- Those purchases, contracts, agreements, or sales that are made after public notice and competitive bidding. The Commission typically approves such contracts unless the contract in question is with the State employee's own agency. In these situations, the Commission has determined that such contracts raise the issue of an appearance of impropriety under section 23(e)(7) of the Conflicts Law.
- Those contracts that may be awarded without public advertising and competitive bidding pursuant to *N.J.S.A. 52:34-10*.
- Any contract of insurance entered into by the Director of the Division of Purchase and Property, Department of Treasury, pursuant to *N.J.S.A. 52: 27B-62*.

In addition, there are two statutory exemptions that do not require advance approval by the Commission:

**EXHIBIT A**

- Contracts for the development of scientific or technological discoveries or innovations: Section 19.1 of the Conflicts Law excepts contracts for the development of scientific or technological discoveries or innovations in which the State agency has a property right, if the State agency has a procedure in its supplemental code of ethics authorizing these contracts that minimizes actual conflicts of interest, and the contract complies with the code procedure.
- Certain rental agreements with State agencies: Section 19.2 of the Conflicts Law excepts rental agreements with a State agency that operates a facility which rents space or provides services to assist small businesses employing fifty people or less, pursuant to the same terms and conditions as those offered to members of the public generally.

***Prohibitions on Representing Parties other than the State.*** There are severe restrictions on your ability (and that of any partnership, corporation, or firm in which you have an interest) to represent, appear for, or negotiate on behalf of a person other than the State in connection with any cause, proceeding, application, or other matter, including a negotiation concerning the acquisition or sale of property of any sort, pending before any State agency. See *N.J.S.A. 52:13D-15* and 16.

Representation does not only involve personally appearing before a State agency on behalf of an individual or entity. Under Commission precedent, representational activities also include:

- correspondence to a State agency on behalf of a third party;
- telephone calls to a State agency on behalf of a third party; and
- a State employee's signature on an application or other document submitted to a State agency on behalf of a third party (e.g., an engineering report).

You should carefully review these restrictions or consult with your ELO if you are considering taking any action on behalf of another person or entity that might be considered representing, appearing for, or negotiating on behalf of that person or entity in opposition to the State or before a State agency.

For special State officers or employees, the restriction on representing parties other than the State is limited to their own agencies.

***Advisory Opinions.*** If you think that you may have a conflict of interest, you should ask your ELO or the Commission for an opinion. These cases are frequently very fact-sensitive, and the Commission decides each individually. See *Advisory Opinions*, below, for information on how to find advisory opinions that the Commission has issued on this topic and on how to request an advisory opinion concerning your particular circumstances.

**RULES REGARDING PUBLISHED WORKS**

The Commission staff frequently receives inquiries concerning State employees' activities in connection with authoring and publishing research papers, articles, and books. Based on applicable rules and Commission precedent, you may accept compensation for published works only if you meet all of these conditions:

- There is no prohibition governing that activity in the Uniform Ethics Code or your department's enabling legislation or supplemental code of ethics;
- You obtain prior approval from your ELO;
- The published work does not use or disclose information that is not generally available to the public;

**EXHIBIT A**

- You do not use State time or resources in connection with the published work;
- You do not use your official title in connection with publication or promotion of the published work;
- You do not promote, advertise, or solicit sales of the published work to co-workers or individuals or entities with whom you have official dealings;
- You do not contract to sell the published work to the State, except in compliance with section 19 of the Conflicts Law; and
- The published work is not prepared as part of your official duties.

Note that the term *published work* includes not only research papers, articles, and books, but also any tangible mediums of expression, such as literary, pictorial, graphic and sculptural matter, sound recordings, and software.

**Examples:** As part of his official duties, a Department of Transportation employee evaluates surveying equipment and trains Department employees on its use. The employee recently completed an in-depth evaluation of ten different types of surveying instruments and made a recommendation to the purchasing unit. The employee would like to publish the entire report in Transportation Magazine. He has been offered \$500 for the article. The Department must make a policy decision as to whether the article may be published. The employee is prohibited from accepting compensation for the article, even if the Department grants permission for the publication, since it was created as part of his official duties prepared on State time and utilizing State resources.

An Environmental Technician at the Department of Environmental Protection has been asked to write an article for an environmental journal on how New Jersey's automobile emission standards differ from those of Pennsylvania. He has been offered \$500 for the article. The Environmental Technician is permitted to publish the article and receive compensation since it is on a subject matter related to, but not part of, his official duties, so long as he prepares the article at home, on his own time, without using any State resources.

**Other Resources.** For a more complete discussion of this subject, see *Guidelines Governing Outside Activities*, at [www.nj.gov/ethics/statutes/guide/outsideact\\_guide.html](http://www.nj.gov/ethics/statutes/guide/outsideact_guide.html), *Guidelines Governing Published Works*, at [www.nj.gov/ethics/statutes/guide/published\\_works.html](http://www.nj.gov/ethics/statutes/guide/published_works.html), and *N.J.A.C. 19:61-6.7*, at [www.nj.gov/ethics/statutes/rules/recusal.html](http://www.nj.gov/ethics/statutes/rules/recusal.html).

**CONFIDENTIAL INFORMATION**

You may not divulge any information that you obtain in the course of your official duties that is not generally available to members of the public. You may not use any such confidential information for your own benefit, whether direct or indirect. These restrictions continue even after you are no longer a State employee.

**USE OF OFFICIAL STATIONERY**

Agency stationery can only be used for agency purposes. Use of official stationery for personal purposes will result in disciplinary action by the agency or administrative action by the Commission.

For additional information, see *Guidelines Governing the Use of Official Stationery*. The Guidelines can be found at [www.nj.gov/ethics/statutes/guide/stationery.html](http://www.nj.gov/ethics/statutes/guide/stationery.html).

**EXHIBIT A****SEEKING FUTURE EMPLOYMENT/POST-EMPLOYMENT RESTRICTIONS**

***Seeking Future Employment.*** If you have direct and substantial contact with any interested parties, you must refrain from circulating resumes or in any manner seeking employment with those individuals or entities while you are still in State service. If you are solicited for potential employment by an entity with which you have direct and substantial contact, that solicitation must be disclosed immediately to your management and to your ELO to avoid a situation where you may appear to be using your official position to gain an unwarranted advantage. If you do not have direct and substantial contact with interested parties, you may circulate your resume and enter into discussions concerning potential employment with those individuals or entities, so long as you avoid any situation that may give rise to an unwarranted advantage. Your discussions, interviews, and negotiations should not take place on State time.

***Dealing with the State after your Departure.*** As a former employee, you will be prohibited from representing or assisting a person concerning a particular matter if you were *substantially and directly involved in that particular matter while in State employment*. This prohibition does not extend to “determinations of general applicability or to the preparation or review of legislation that is no longer pending before the Legislature or the Governor.” The statute, rules, and precedent governing these prohibitions are complex. Questions about the nature of matters with which you had involvement during the course of your official duties should be directed to the Commission, for determination on a case-by-case basis.

***Certain State Officials – One-Year Ban – Former Agency.*** A one-year post-employment ban applies to any head, deputy head or assistant head of any principal department, board, commission or authority, the Superintendent of State Police, the Governor’s Chief of Staff, Chief of Management and Operations, Chief of Policy and Communications, Chief Counsel, Director of Communications, Policy Counselor, and any deputy or principal administrative assistant to any of the aforementioned members of the staff of the Office of the Governor. If you hold one of the enumerated positions, you are not permitted to represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party other than the State with or before any officer or employee of the State agency in which you served for a period of one year following your State service.

***Special Rules for the Casino Industry and for Lawyers.*** Additional and more stringent rules will apply to your post-employment activities if you file a Financial Disclosure Statement pursuant to law or executive order, or have responsibility for matters affecting casino activity, or are engaged in the practice of law. Questions concerning post-employment casino-related activities should be directed to the Commission. Lawyers may request advice on the application of the Rules of Professional Conduct from the Supreme Court Advisory Committee on Professional Ethics.

***Contracting with your Former Agency.*** Nothing in the Ethics Laws prevents an agency from contracting directly with a former employee.

***Other Resources.*** For a more complete discussion of this subject, see *Post-Employment Restrictions for State Employees*, at [www.nj.gov/ethics/statutes/guide/empl\\_restrictions.html](http://www.nj.gov/ethics/statutes/guide/empl_restrictions.html).

**NEPOTISM**

The Commission staff frequently receives inquiries concerning the propriety of State officials interacting in the course of their official duties with family members. The majority of inquiries concern relatives employed by the same State agency, or interactions with family members employed in the private sector. Prior to 2006, the Conflicts Law did not contain a nepotism provision. However, the statute was amended, effective March 15, 2006, to prohibit certain relatives of certain State officials from

**EXHIBIT A**

holding particular government positions and also to prohibit State officials from supervising, or exercising authority with regard to personnel actions over, a relative of the State official.

If a relative (defined as an individual's spouse or the individual's or spouse's parent, child, brother, sister, aunt, uncle, niece, nephew, grandparent, grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half brother or half sister, whether the relative is related to the individual or the individual's spouse by blood, marriage or adoption) is employed by or is an applicant for an unclassified position with the agency where you are employed, please contact your ELO to determine if you or your relative are affected by the statutory restrictions.

***Family Members Working for the Same Agency.*** In the case of relatives who work for the same agency, direct supervisor/subordinate relationships are not permitted.

***Hiring Family Members.*** With respect to the hiring of family members, the Commission looks at the totality of circumstances surrounding the hire to determine whether any unwarranted privilege has been afforded the family member. Note that the Conflicts Law prohibits hiring in some circumstances. See *N.J.S.A. 52:13D-21.2*.

***Interacting with Family Members in the Private Sector.*** With respect to interactions with family members or their private sector employers, the Commission generally recommends recusal from matters involving the relative and/or the relative's employer, in order to eliminate any appearance of impropriety.

***Dating and Other Relationships.*** The Commission's policy concerning spouses who work in the same agency is also applicable to non-related individuals who share the same household with the same financial interdependence that the Commission views as creating a conflict in spousal situations. In the case of individuals involved in a dating relationship, the Commission has found violations of the unwarranted privilege and appearance sections of the statute in situations where the State employee had official involvement in a matter affecting the individual with whom he/she had a dating relationship.

***Casino-Related Conflict Issues.*** Only the casino-related provisions of the Conflicts Law contain prohibitions that specifically apply to a State official's immediate family members (defined as the person's spouse, child, parent, or sibling residing in the same household). Waivers of these prohibitions may be requested by contacting the Commission. A waiver of the casino employment restriction will be granted if, in the Commission's judgment, the employment will not interfere with the responsibilities of the State officer or employee and will not create a conflict of interest or reasonable risk of the public perception of a conflict of interest.

***Other Resources.*** For a more complete discussion of this subject, see *Official Interactions with Family Members/Cohabitants and Dating Relationships*, at [www.nj.gov/ethics/statutes/guide/famcode.html](http://www.nj.gov/ethics/statutes/guide/famcode.html).

**RECUSAL**

***Prior Business Relationships.*** You are required to recuse yourself, for one year after commencing State service, on an official matter that involves any private sector individual, association, corporation or other entity that employed or did business with you during the year prior to your commencement of State service.

***Prior Involvement in Matter.*** You are required to recuse yourself on an official matter if you had any involvement in that matter, other than on behalf of the State, prior to commencement of your State service.

***Personal or Financial Interest.*** Sometimes, conflicts situations occur because of your personal relationships or financial circumstances. For example, you may be involved in reviewing vendor qualifications for a contract your agency is preparing to issue, and discover that your sibling's company

**EXHIBIT A**

has submitted a proposal. To avoid that inherent conflict of interest, you must formally recuse yourself from the review by assigning another individual to handle the matter (or advising your supervisor of the need to do so), and by ensuring that you are screened from any communications about the review. See the Commission's rule on recusal, at *N.J.A.C. 19:61-7.1 et seq.* for more information about when and how to recuse yourself.

**FINANCIAL DISCLOSURE**

Some State officers and employees and special State officers and employees are required by statute, executive order, or other law to file annual financial disclosure statements with the Commission. Information about financial disclosure requirements, forms, and instructions is available on the Commission's website at [www.nj.gov/ethics](http://www.nj.gov/ethics). The Commission is empowered to impose a civil penalty of \$50 per day for failure to file a required disclosure.

State officers and employees who must file financial disclosure statements, and their immediate family members, are subject to a two-year casino-related post-employment restriction. See *N.J.S.A. 52:13D-17.2(c)*. This restriction does not apply to most of the special State officers and employees who are required to file financial disclosure statements.

**THE COMMISSION**

The Commission is responsible for providing advice and investigating matters pertaining to ethics and related rules governing the official conduct of State officers and employees and special State officers and employees. You are encouraged to seek guidance from the Commission or your ELO whenever you have questions about what you should do.

**COMPLAINTS AND INVESTIGATIONS**

Allegations come to the Commission from various sources and can be made orally or in writing. The complainant may remain anonymous. If the complainant does identify him/herself, that information remains confidential.

Allegations may also be filed with the State agency employing the State officer or employee, in accordance with the procedures established by the agency. Upon receipt of an allegation, the State agency is required to file a copy with the Commission. It is within the discretion of the Commission to direct the State agency to transfer the matter to it.

Investigations of violations alleged to have occurred during State service must be commenced within two (2) years of the individual's termination of State service.

When the Commission receives an allegation, the staff first reviews it for an initial determination as to whether the alleged conduct falls within the jurisdiction of the Commission. Once it has been determined that the Commission has jurisdiction, the staff initiates a preliminary investigation which may include interviews of the complainant, the State officer or employee involved, and any other individuals who possess knowledge of the circumstances surrounding the alleged conduct. Interviews are conducted under oath and are tape-recorded. An attorney or a union representative may accompany the interviewee, if he/she so desires, but such representation is not required. It is not appropriate for an interviewee to be accompanied by the agency's ELO. A copy of the taped interview will be provided to the interviewee upon his/her request, after the Commission has reviewed the matter. Interviews are occasionally conducted via telephone. Investigations also frequently involve the review of documents.

**EXHIBIT A**

If the Commission determines that the testimony of any person is required, and that person refuses to appear, a subpoena may be issued.

During the course of a preliminary investigation, no information concerning an allegation is made public. Upon the conclusion of the preliminary investigation, a written report is presented to the entire Commission. The Commission's meeting is not a formal hearing. No witnesses appear. A full due process hearing is held at the Office of Administrative Law ("OAL"), if and when the Commission determines that indications of a violation exist. The Commission meeting dates are posted on the Commission's website, at [www.nj.gov/ethics](http://www.nj.gov/ethics). Its meetings are open to the public. Reports of the Commission's preliminary investigations are privileged communications between the staff and Commission members, and are considered in closed session.

If the Commission finds that there has been no violation of the Conflicts Law, the Uniform Ethics Code or the relevant agency's supplemental code of ethics, as alleged, it will dismiss the allegation. This occurs in an open public session. If the Commission determines that there are indications of a violation warranting further proceedings, a complaint is issued and the matter is transferred to the Office of Administrative Law for a hearing, pursuant to the requirements of the Administrative Procedure Act, *N.J.S.A. 52:14B-1 et seq.*, and the Uniform Administrative Procedure Rules, *N.J.A.C. 1:1 et seq.* Although the Commission is also authorized to hold hearings, they are not normally done due to time constraints. Prior to an OAL hearing, witnesses may be interviewed by the investigative staff. After the OAL hearing is concluded, a decision is issued in accordance with the time frame set forth in the Administrative Procedure Act.

In the past, the Commission has permitted individuals to enter into consent agreements with the Commission, either prior to or after the issuance of a complaint. Consent orders are included in the individual's personnel file. Consent orders and complaints are public records.

***Other Resources.*** For a more complete discussion of this subject, see *Investigative Process*, at [www.nj.gov/ethics/procedures/investigative/](http://www.nj.gov/ethics/procedures/investigative/).

**PENALTIES**

When a person is found to have violated the Conflicts Law, the Uniform Ethics Code or an agency's supplemental code of ethics, the Commission can levy fines ranging from \$500 to \$10,000 and may order restitution, demotion, censure or reprimand. The Commission is also authorized to order that the violator be suspended from office or employment for a period of one year. If the person willfully and continuously disregarded the provisions of the Conflicts Law, the Uniform Ethics Code or an agency's supplemental code of ethics, the Commission may order that the person be barred from holding any public office or employment in this State, in any capacity whatsoever, for a period of up to five years.

**ADVISORY OPINIONS**

Most of us working for the public will, at some point, find ourselves facing an ethics dilemma. It might concern whether we can accept a favor or gift from an agency contractor or vendor. Perhaps it will arise in connection with a second job or volunteer work. Maybe a spouse's business will want to do business with your agency.

One of the primary functions of the Commission is to respond to questions from State employees and others concerning how a particular situation might be analyzed under State ethics rules and to offer advice.

This can happen in a number of ways, ranging from very informal advice, to official written opinions. In many cases, questions can be answered with a telephone call or a visit with Commission staff. In other

**EXHIBIT A**

cases, employees might want to get a written opinion from the staff that is “unofficial,” but documents the advice sought and received.

An “official” advisory opinion is one that is presented to the full Commission at a public meeting. Such an opinion is given in situations that are less clear, or for which there is little precedent. If you receive and follow formal advice and guidance from the Commission, you will be immune from charges of violations of the provisions of the Conflicts Law. The Commission cannot grant immunity from the provisions of the Code of Criminal Justice governing crimes such as bribery.

***If You Want to Request an Advisory Opinion Concerning Your Situation.*** To obtain an official advisory opinion from the Commission, you should write to the Executive Director of the Commission. You should provide as much information as possible concerning the request, and include any relevant documentation. In the event that additional information is required, a Commission investigator will contact the appropriate individuals or organizations. Requests for advisory opinions and replies to requests for advisory opinions may be made available to the public, after consideration by the Commission at a public meeting. For further information, see *Requests for Advice*, at [www.nj.gov/ethics/procedures/requests/](http://www.nj.gov/ethics/procedures/requests/). If you are unsure which level of response is most appropriate in your situation, give the Commission a call at (609) 292-1892. The most important thing is that you seek advice before engaging in a potentially questionable activity.

***If You Want to Review Existing Advisory Opinions.*** To review official advisory opinions issued in the past by the Commission, contact the Commission’s staff at (609) 292-1892 or 1-888-223-1355, or visit the Commission offices between 9:00 a.m. and 4:00 p.m. on business days. While a review of prior opinions may be useful, bear in mind that every situation is unique, and that responses to one person may not necessarily apply to another, due to subtle factual differences between situations or to subsequent changes in the applicable laws or rules. Also, bear in mind that advisory opinions are only binding with respect to the facts and circumstances reviewed and considered in the specific request. Summaries of many of the Commission’s opinions are available in the Commission’s newsletters, which can be found at [www.nj.gov/ethics/publications/newsletters](http://www.nj.gov/ethics/publications/newsletters).

**INFORMATION ON RELATED OFFICES**

***Legislative Ethics***

Joint Legislative Committee on Ethical Standards  
Office of Legislative Services  
P.O. Box 068  
Trenton, NJ 08625-0068  
Phone: (609) 847-3901  
Toll Free: (800) 792-8630  
TDD: (609) 777-2744  
Fax: (609) 943-3557

***School Ethics***


School Ethics Commission  
P.O. Box 500  
Trenton, NJ 08625-0500  
Phone: (609) 984-6941

***Local Government Ethics***

Local Finance Board  
Department of Community Affairs  
P.O. Box 803  
Trenton, NJ 08625-0803  
Phone: (609) 292-0479  
Fax: (609) 292-9073

***Lobbyist Registration and Disclosure***

Election Law Enforcement  
Commission  
P.O. Box 185  
Trenton, NJ 08625-0185  
Phone: (609) 777-1457

 <b>CORPORATE-WIDE POLICY AND PROCEDURE</b>		NUMBER	EFFECTIVE DATE
		2.03A	
		SUPERSEDES	
MANUAL	SOURCE	KEY SUBJECT	
General Administration	Corporate Compliance & Ethics Administration	Supplemental Code of Ethics	
TITLE			
Supplemental Code of Ethics			
KEY SUBJECT		APPROVAL(S)	
All NJ TRANSIT Employees			

The New Jersey Conflict of Interest Law (N.J.S.A. 52:13D-12 et seq.) establishes specific standards of conduct for State employees and officers. Pursuant to the Law, the State Ethics Commission has issued a Uniform Ethics Code to govern and guide the conduct of State officers and employees and special State Officers and employees in State agencies in the Executive Branch of State Government and to serve as the primary code of ethics for such agencies. NJ TRANSIT has adopted the Uniform Ethics Code, which shall apply to all NJ TRANSIT board members, officers, and employees, agreement and non-agreement. [See CWP 2.03]

Additionally, P.L. 2018, c. 162 (effective December 20, 2018) requires that the Board of the NJ TRANSIT Corporation (hereinafter "NJ TRANSIT") adopt a code of ethics, in consultation with the Chief Ethics Officer, applicable to each board member, officer, and employee that, at a minimum, includes the applicable standards established by State law. In accordance with both N.J.S.A. 52:13D-23 and P.L. 2018, c. 162, NJ TRANSIT has adopted this Supplemental Code of Ethics to address the particular needs and problems of NJ TRANSIT. This Supplemental Code of Ethics is intended to supplement the Uniform Ethics Code and shall apply to all NJ TRANSIT board members, officers, and employees, agreement and non-agreement.

Ethics Requirements Imposed by P.L. 2018, c. 162:

This Supplemental Code of Ethics (approved by the Board on \_\_\_\_\_, 2019), is intended to acknowledge and comply with the following requirements imposed by P.L. 2018, c. 162.

- NJ TRANSIT shall employ a Chief Ethics Officer, who shall be provided staff, equipment, and resources, as the Board deems appropriate, in order to investigate allegations and suspicions of unethical conduct or illegal activity within the corporation and to determine whether the corporation is in compliance with applicable State law. The Chief Ethics Officer shall operate independently of the Executive Director and shall report directly to the Board of Directors. The Executive Director shall not have any role in hiring, firing, disciplining, or directing the Chief Ethics Officer.
- The Chief Ethics Officer shall establish a whistleblower access and assistance program which shall include, but not be limited to: establishing toll-free telephone and facsimile lines available to employees; offering advice regarding employee rights under applicable state and federal laws and advice and options available to all persons; and offering an opportunity for employees to identify concerns regarding any issue at the corporation.

Title	Number	Date	Page
<b>DEVELOPMENT AND DOCUMENTATION OF CORPORATE- WIDE POLICY</b>	<b>2.03A</b>		<b>2 of 6</b>

- The Board of Directors of NJ TRANSIT adopt a policy that provides guidelines for when it is appropriate for the Chief Ethics Officer to forward the findings of a preliminary investigation conducted by the Chief Ethics Officer along with a recommendation of discipline to the State Ethics Commission, Office of the Attorney General, county prosecutor’s office, or any other appropriate agency for further investigation or action.

Hotline & Ethics Online:

As required by P.L. 2018, c. 162, the Chief Ethics Officer has established a whistleblower access and assistance program. A toll-free telephone and eFax line are available to all employees. Anyone with reason to believe that a violation of any law or policy has occurred or may occur is encouraged to immediately report what they know or suspect. Reports may be submitted verbally or in writing, via any of these methods:

Toll Free Hotline: (833) 749-3782  
eFax: (973) 863-4641  
Email: [WhistleblowerComplaints@njtransit.com](mailto:WhistleblowerComplaints@njtransit.com)  
Mail: Compliance & Ethics Department  
One Penn Plaza East, 8<sup>th</sup> floor  
Newark, New Jersey 07105

Reports can be submitted anonymously. However, sufficient information about the suspected violation must be provided to permit investigation.

The whistleblower access and assistance program may be used not just to report violations but also to obtain advice regarding employee rights under applicable state and federal laws and advice and options available to all persons. It also provides an opportunity for employees to identify concerns regarding any issue at the corporation.

Additional ethics information is available on @transit. The Ethics Online webpage has links to the State Ethics Commission website, including the online ethics training. It also contains ethics forms, such as the Request for Approval for Attendance at Events, Personal and Business Relationship Disclosure Form and the Statement of Outside Employment & Activities.

Ethics Investigative Process:

The NJ TRANSIT Ethics Department receives complaints from various sources. They may be made through our toll free hotline (833-749-3782), via email ([Ethics\\_Dept@njtransit.com](mailto:Ethics_Dept@njtransit.com)), or through any of the methods listed above.

The complainant may remain anonymous. If the complainant does identify him/herself, that information remains confidential except as necessary to comply with the law and this policy.

Upon receipt of a complaint alleging an ethics violation, NJ TRANSIT is required to notify the State Ethics Commission. It is within the discretion of the Commission to direct NJ TRANSIT to transfer the

Title	Number	Date	Page
<b>DEVELOPMENT AND DOCUMENTATION OF CORPORATE- WIDE POLICY</b>	<b>2.03A</b>		<b>3 of 6</b>

complaint to the Commission for handling. Complaints may also be submitted directly to the State Ethics Commission through its toll free hotline ([888-223-1355](tel:888-223-1355)), or in writing to:

28 W. State Street  
P.O. Box 082  
8th floor  
Trenton, New Jersey 08625  
OR  
Email: [ethics@ethics.nj.gov](mailto:ethics@ethics.nj.gov)

When NJ TRANSIT's Ethics Department investigates a complaint, the staff first reviews it for an initial determination as to whether the alleged conduct falls within the Ethics Department's jurisdiction. The staff initiates a preliminary investigation, which may include (among other things) interviews of the complainant, the officer or employee involved, and any other individuals who possess knowledge of the circumstances surrounding the alleged conduct. The interviewee, if covered by a collective bargaining agreement, may be accompanied by a union representative, but such representation is not required. Interviews are occasionally conducted via telephone. Investigations also frequently involve the review of documents, such as work emails, cell phone and company motor vehicle records. During the course of the preliminary investigation, all information is kept confidential.

The Chief Ethics Officer shall forward the results and findings of a preliminary ethics investigation conducted by the Ethics Department to other appropriate agencies for further investigation or action under the following circumstances:

- The Chief Ethics Officer shall forward the results and findings of **all** ethics investigations conducted by the Ethics Department to the State Ethics Commission.
- The Chief Ethics Officer shall forward the results and findings of a preliminary ethics investigation to the Office of the Attorney General and to the county prosecutor's office if the investigation finds evidence of a violation of a criminal law.
- The Chief Ethics Officer shall forward the results and findings of a preliminary ethics investigation to the NJ TRANSIT Auditor General if the investigation finds evidence of fraud, waste or abuse. If it involves federally-funded Superstorm Sandy recovery or resilience efforts, the Chief Ethics Officer shall also forward the results and findings to the Office of the State Comptroller's Fraud Prevention Hotline ([comptrollertips@osc.state.nj.us](mailto:comptrollertips@osc.state.nj.us)).
- The Chief Ethics Officer shall forward the results and findings of a preliminary ethics investigation to the Chief of EEO if the investigation finds evidence of unlawful discrimination.

All NJ TRANSIT disciplinary actions of a State officer or employee based on violations of the Uniform Ethics Code or this Supplemental Code of Ethics are effective only when approved by the State Ethics Commission. If the Commission conducts an investigation and determines that a NJ TRANSIT officer or employee, or special officer or employee has violated the ethics laws or codes, it may, in accordance with the provisions of N.J.S.A. 52:13D-21(i), impose a fine, terminate, demote, suspend, censure, reprimand, or order restitution.

Title	Number	Date	Page
<b>DEVELOPMENT AND DOCUMENTATION OF CORPORATE- WIDE POLICY</b>	<b>2.03A</b>		<b>4 of 6</b>

The Conflicts of Interest Law also permits the Commission to impose a civil penalty of between \$500 and \$10,000 for violations of post-employment restrictions by former State officers and employees and special State officers and employees. The Commission may also refer a matter to the Division of Criminal Justice. Any person who willfully violates section 17 of the Conflicts Law is a disorderly person and is subject to a fine not to exceed \$1,000 or imprisonment not to exceed six months, or both.

Anti-Nepotism Policy:

Employees who are supervisors or exercise authority regarding personnel actions shall disclose to the Chief Ethics Officer any financial, familial or dating relationship involving anyone in their chain of command. They shall provide information as may be necessary to determine whether the employee is in compliance with the prohibitions set forth in Section XIII of the Uniform Ethics Code. Recusals shall be executed whenever a conflict exists. All recusals will be filed with the State Ethics Commission.

Prior to the day of all employment interviews, all panel members are to complete an interview disclosure form to identify any potential conflict of interest. These forms will be reviewed timely by the assigned Business Agent (or other person designated by Human Resources) who will consult with the Ethics Department to address any potential conflicts.

In connection with all offers of employment, the prospective employee will be required to disclose any financial, familial or dating relationship involving anyone in the department or unit where the position is located.

Contracting with NJ TRANSIT:

NJ TRANSIT prohibits its officers and employees and special officers and employees from contracting with NJ TRANSIT under any circumstance. Any NJ TRANSIT officer or employee or special officer or employee who misrepresents or omits pertinent information with regard to this policy during the procurement process will be subject to discipline by NJ TRANSIT.

Personal and Business Relationship Disclosures

NJ TRANSIT employees and officers and special State officers and employees who are involved in the procurement process must fill out a Personal and Business Relationships Disclosure (PBRD) Form. Involvement in the procurement process includes: drafting, reviewing, evaluating or awarding contracts; substantively assisting in those tasks; or authorizing payment under such contracts. All Board members, members of the Executive Management Team, employees within the Procurement Department, and anyone else involved in the procurement process must complete the PBRD on an annual basis. They should also review the form periodically and update it when there is a material change to any response.

Financial Disclosure Requirements

Title	Number	Date	Page
<b>DEVELOPMENT AND DOCUMENTATION OF CORPORATE- WIDE POLICY</b>	<b>2.03A</b>		<b>5 of 6</b>

Executive Order No. 2, promulgated by Governor Murphy on January 17, 2018, requires the annual filing of Financial Disclosure Statements (“FDS”) by certain designated State employees and board members. Designated State employees include the “executive or administrative head and any assistant heads of . . . any independent authority . . .” NJ TRANSIT, as an independent authority, is subject to the FDS requirements.

All members of the NJ TRANSIT Board of Directors shall file FDS forms in accordance with Executive Order No. 2, or any similar requirement imposed by statute, Executive Order or other law. Additionally, the following NJ TRANSIT employees shall file FDS forms in accordance with Executive Order No. 2, or any similar requirement imposed by statute, Executive Order or other law: the Executive Director, the Deputy Executive Director, all employees who serve on the Executive Management Team, all employees at Grades 35 and 36, and all Directors and Senior Directors to whom the Chief of Procurement has delegated procurement authority.

Board Members’ Additional Disclosure Requirements:

Pursuant to P.L. 2018, c. 162, each board member shall annually disclose to the Board of Directors and to the Chief Ethics Officer any contributions made within the preceding two years to any candidate for political office; candidate committee; joint candidate committee; political committee; continuing political committee; political action committee; State, county, or municipal party committee; legislative leadership committee; or any similar committee. Additionally, board members must disclose to the Board and to the Chief Ethics Officer any conflicts, or the appearance of a conflict, of a personal, financial, ethical, or professional nature that could inhibit the board member from performing the board member’s duties in good faith and with due diligence and care.

Retaliation:

NJ TRANSIT protects employees from retaliation should they disclose, threaten to disclose or intend to disclose possible violations of the Conflicts Law to the Board, to management or the Chief Ethics Officer. Anyone who believes they have been retaliated against should contact the Compliance & Ethics Department, via any of these methods:

- Toll Free Hotline: (833) 749-3782
- eFax: (973) 863-4641
- Email: [WhistleblowerComplaints@njtransit.com](mailto:WhistleblowerComplaints@njtransit.com)
- Mail: Compliance & Ethics Department  
One Penn Plaza East, 8<sup>th</sup> floor  
Newark, New Jersey 07105

Title	Number	Date	Page
<b>DEVELOPMENT AND DOCUMENTATION OF CORPORATE- WIDE POLICY</b>	<b>2.03A</b>		<b>6 of 6</b>

Cross-References:

[New Jersey Uniform Ethics Code](#)

[Plain Language Guide to New Jersey's Executive Branch Ethics Standards](#)

CWP 2.03 Code of Ethics

CWP 2.03B Code of Ethics for Vendors

CWP 2.03C Political Activity (Hatch Act)

CWP 2.16 Conscientious Employee Protection

**ITEM 1903-09: BUDGET PROPOSAL TRANSMITTAL**

**WHEREAS**, Public Law 2018, Chapter 162 requires the Board of Directors to approve transmittal of an “annual proposed budget recommendation” submitted to the Commissioner of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee, or their successor committees; and

**WHEREAS**, the Operating Budget portion of the transmittal should include actual results for Fiscal Year 2018, estimated results for Fiscal Year 2019, a proposed Fiscal Year 2020 Operating Budget, and a projected Fiscal Year 2021 Operating Budget for NJ TRANSIT as detailed in the item and Exhibit A attached hereto; and

**WHEREAS**, the Governor of New Jersey has proposed a Fiscal Year 2020 State Budget which includes appropriations for public transportation purposes; and

**WHEREAS**, staff has proposed a Fiscal Year 2020 Operating Budget for NJ TRANSIT as detailed in the item and Exhibit A attached hereto; and

**WHEREAS**, staff has estimated results for Fiscal Year 2019’s Operating Budget for NJ TRANSIT as detailed in the item and Exhibit A attached hereto; and

**WHEREAS**, staff has preliminarily estimated a Fiscal Year 2021 Operating Budget for NJ TRANSIT as detailed in the item and Exhibit A attached hereto; and

**WHEREAS**, the estimated Fiscal Year 2019 Operating Budget results in revenues of \$2.305 billion; and

**WHEREAS**, the estimated Fiscal Year 2019 Operating Budget results in expenses of \$2.303 billion; and

**WHEREAS**, NJ TRANSIT’s \$2.341 billion proposed Fiscal Year 2020 Operating Budget provides continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services; and

**WHEREAS**, this budget proposal continues NJ TRANSIT’s commitment to provide safe, reliable and efficient transportation services for its customers; and

**WHEREAS**, the proposed Fiscal Year 2020 Operating Budget projects State operating assistance of \$407.5 million; and

**WHEREAS**, total FY 2020 revenues of \$2.341 billion are estimated to be available from various sources without a fare increase or service cuts representing a \$25 million increase from FY 2019; and

**WHEREAS**, under this plan, passenger and commercial revenue represent 47 percent of the total FY 2020 revenue budget and are estimated at \$1.103 billion; and

**WHEREAS**, when compared to FY 2019, total State funding increases by \$25 million to \$618.6 million; and

**WHEREAS**, NJ TRANSIT's \$2.472 billion projected Fiscal Year 2021 Operating Budget provides continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services; and

**WHEREAS**, the preliminary estimate for the Fiscal Year 2021 Operating Budget projects State operating assistance of \$407.5 million; and

**WHEREAS**, the preliminary estimate for the Fiscal Year 2021 Operating Budget has a funding need of \$138.2 million that includes contractual escalations and other expenses necessary to, among other things, enhance service, safety and communications; and

**WHEREAS**, support for the funding need may come from a variety of sources and efficiencies to be identified; and

**WHEREAS**, the transmittal should provide the following additional information, as detailed in Exhibit B

- (1) An executive summary outlining the highlights of the budget document;
- (2) A profile describing the history of the corporation and the services it provides;
- (3) An analysis of regional and agency transportation trends, including a detailed ridership analysis;
- (4) A synopsis of the current corporation business plan;
- (5) A list of key performance indicators;
- (6) A statement of current budget year assumptions regarding funding and ridership;
- (7) A summary of the internal corporation budgeting process and its interaction with the Statewide budgeting process;
- (8) A description of the current corporation organizational structure;
- (9) Detailed operating revenue and expense projections for each division within the corporation, with 10 year revenue and expense trends and five year revenue and expense projections;

(10) A detailed headcount analysis by department or unit, which includes actual employee count, funded headcount, actual salary and fringe expenses, and recent employment trends; and

(11) A summary of the capital program and analysis of current capital projects for which capital funds have already been appropriated, but where the project is not yet complete, which includes the years of appropriation, amounts expended, future appropriations required to complete the project, and a brief analysis of project progress; and

**WHEREAS**, NJ TRANSIT's final Fiscal Year 2020 Operating Budget is subject to ongoing negotiations between the Governor's office and State Legislature and is expected to be presented to the Board for approval in June 2019;

**NOW, THEREFORE, BE IT RESOLVED** that the NJ TRANSIT Board of Directors approves the transmission of Exhibits A and B to the Commissioner of Transportation and to the President of the Senate, the Speaker of the General Assembly, and the Assembly Transportation and Independent Authorities Committee and the Senate Transportation Committee.

# Item 1903-09: Budget Proposal Transmittal

**Board Meeting**  
March 13, 2019

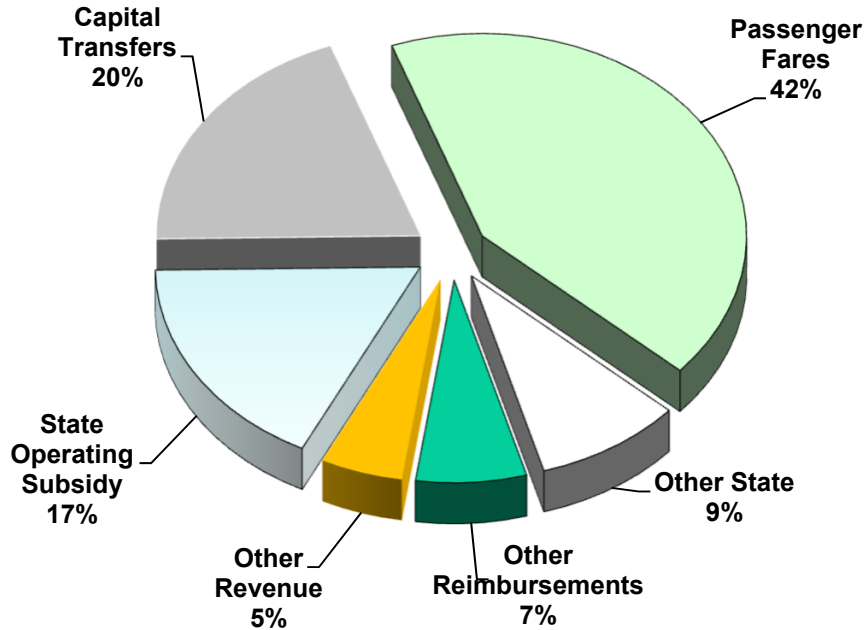
## Four-Year Budget Outlook

	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Gov's Budget</b>	<b>Preliminary Est.</b>
Passenger Fares	\$ 968.1	\$ 972.6	\$ 985.8	\$ 988.3
Other Revenue	103.6	119.2	117.5	119.5
State Operating Subsidy	140.9	307.5	407.5	407.5
Other Reimbursements	1,041.5	905.2	830.2	818.7
Funding Need	-	-	-	138.2
<b>Total Resources</b>	<b>\$ 2,254.1</b>	<b>\$ 2,304.5</b>	<b>\$ 2,341.0</b>	<b>\$ 2,472.2</b>
<i>Δ from Prior Yr (%)</i>	6.0%	2.2%	1.6%	5.6%
<i>4-Yr CAGR (%)</i>				3.2%
Labor & Fringe Benefits	\$ 1,296.8	\$ 1,368.2	\$ 1,416.4	\$ 1,504.4
Purchased Transportation	245.3	250.2	252.2	256.4
All Other Expenses	690.9	684.9	672.4	711.4
<b>Total Expenses</b>	<b>\$ 2,233.0</b>	<b>\$ 2,303.3</b>	<b>\$ 2,341.0</b>	<b>\$ 2,472.2</b>
<i>Δ from Prior Yr (%)</i>	4.7%	3.1%	1.6%	5.6%
<i>4-Yr CAGR (%)</i>				3.6%

*\*note: FY18 actuals are unaudited*

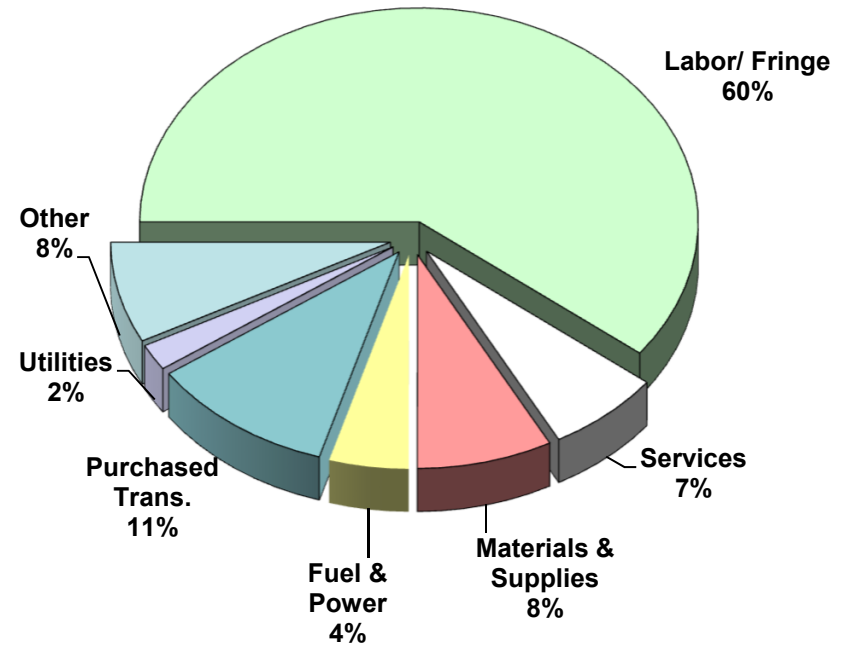
# FY20 – Operating Budget Sources and Uses

**Sources**



By Revenue Source	
(\$ in millions)	
Passenger Fares	\$985.8
Other Revenue	\$117.5
State Operating Subsidy	\$407.5
Other State	\$211.1
Other Reimbursements	\$158.3
Capital Transfers	\$460.8
<b>Total</b>	<b>\$2,341.0</b>

**Uses**



By Expense Category	
(\$ in millions)	
Labor & Fringe	\$1,416.4
Purchased Transportation	\$252.2
Services	\$155.3
Fuel & Power	\$107.4
Utilities	\$46.6
Materials & Supplies	\$184.3
All Other Expenses	\$178.8
<b>Total</b>	<b>\$2,341.0</b>

Philip D. Murphy, Governor  
Sheila Y. Oliver, Lieutenant Governor  
Diane Gutierrez-Scaccetti, Commissioner  
Kevin S. Corbett, Executive Director

**NJTRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000



# New Jersey Transit Budget Proposal Transmittal

March 13, 2019

## Table of Contents

<b>1. Executive Summary</b> .....	<b>2</b>
<b>2. History</b> .....	<b>3</b>
<b>3. Regional and Agency Trends</b> .....	<b>3</b>
<b>4. Cost of Service Key Performance Indicators</b> .....	<b>3</b>
<b>5. Corporate Business Plan</b> .....	<b>4</b>
<b>6. Four-Year Budget Outlook</b> .....	<b>5</b>
<b>7. Agency and State Budget Interaction</b> .....	<b>6</b>
<b>8. Organizational Structure</b> .....	<b>6</b>
<b>9. Operating Revenue and Expense Trends</b> .....	<b>6</b>
<b>10. Current Year Headcount Analysis</b> .....	<b>7</b>
<b>11. Capital Program and Analysis</b> .....	<b>7</b>
<b>12. Appendices</b> .....	<b>A</b>
Appendix A – NJ TRANSIT Quarterly Ridership Trends .....	A
Appendix B – Cost of Service KPIs .....	A
Appendix C – NJ TRANSIT and State Budget Process .....	A
Appendix D – Estimated Revenue and Expense Trends .....	A
Appendix E – Capital Program Overview .....	A

## Executive Summary

Dear Commissioner and Members of the State Legislature:

Pursuant to the requirements outlined in Public Law 2018 Chapter 162 subsection g. of section 20 (C.27:25-20), I am pleased to transmit NJ TRANSIT's statutorily mandated multi-year budget document. As the nation's largest statewide provider of bus, rail and light rail services, NJ TRANSIT's mission is to ensure the availability of safe, reliable, convenient and cost-effective mass transit service that focuses on our customers' needs.

NJ TRANSIT covers a service area of more than 5,300 square miles and strives to provide a viable public transportation system that serves the needs of all types of commuters and customers. As the engine that connects many New Jerseyans with employment, education, health care, and recreational opportunities in and around the Garden State, NJ TRANSIT is vital to the state's economic and social well-being.

This report will highlight a combination of the Corporation's history, organizational structure and both current and future investments including funding needs, staffing and other performance data. This inaugural report represents an additional and progressive step toward fulfilling the Governor's vision of restoring NJ TRANSIT as a model agency for the nation.

Sincerely,



Kevin S. Corbett  
Executive Director

## History

NJ TRANSIT is a state-owned public transportation corporation that was created by the New Jersey Public Transportation Act of 1979 and established to acquire, operate and contract for transportation service in the public interest. By law, NJ TRANSIT is “in but not of” the Department of Transportation, which means that the Corporation operates independent of any direct supervision or control by the Department of Transportation.

In 1980, NJ TRANSIT purchased Transport of New Jersey, the State's largest private bus company at that time. Between 1981-85, the services of several other bus companies were incorporated into NJ TRANSIT Bus Operations, Inc. and on January 1, 1983, a second subsidiary, NJ TRANSIT Rail Operations, Inc. was launched to assume operations of commuter rail in the State after Congress ordered Consolidated Rail Corporation (Conrail) to cease its passenger operations. A third subsidiary, NJ TRANSIT Mercer, Inc., was established in 1984 when the agency assumed operation of bus service in the Trenton/Mercer County area. In 1992, following a full reorganization, all three subsidiaries were unified and operations were significantly streamlined.

The Corporation is governed by a 13-member Board of Directors, 11 of which are voting members and all appointed by the Governor. Of those 11 voting members, eight are from the general public and three are State officials. The two non-voting members are also appointed by the Governor, but upon the recommendations of the labor organizations involved in rail and bus operations (one from each organization). NJ TRANSIT's Board meets monthly at the Corporation's headquarters in Newark.

Two transit advisory committees provide the agency with additional guidance and input from the public. The North Jersey Transit Advisory Committee and the South Jersey Transit Advisory Committee are each comprised of fifteen unsalaried members. Members of both committees serve four-year terms.

## Regional and Agency Trends

NJ TRANSIT produces a quarterly document on ridership trends, by transportation mode and market, as well as regional economic statistics for comparative purposes. The latest quarterly document, titled “NJ TRANSIT Quarterly Ridership Trends” is included as Appendix A.

## Cost of Service Key Performance Indicators

NJ TRANSIT calculates various key performance indicators (KPIs) which are included in the monthly Open Administration Committee Meeting and Open Operations/Customer Service Committee Meeting reports.

The most recent presentation included KPIs regarding the cost service in January 2019 and can be found in Appendix B.

## Corporate Business Plan

NJ TRANSIT's mission is to provide safe, reliable, convenient and cost-effective transit service through a skilled team of employees dedicated to customers' needs and committed to excellence. Our corporate business plan ensures the execution of our mission and is rooted in five key initiatives:

- 1) *Safety and Customer Service*: We must ensure that our system-wide Positive Train Control implementation is complete and operational by the December 2020 deadline while continuing to focus on other safety critical projects, which includes employee training. We must never lose sight of the customer and are focusing on them through our new Customer Experience Unit and our "Engage. Inform. Improve" initiative.
- 2) *Service Reliability*: We must hire, train and deploy sufficient Locomotive Engineers, Bus Operators and other critical personnel to reliably deliver our public schedule. We will augment the current public schedule with rail service restorations where service has been temporarily curtailed and will look to increase service where warranted through safety, economic and customer service considerations. We will continue cultivating a relationship of partnership with Amtrak to deliver County Yard, which will directly improve service on the Northeast Corridor and to make customer experience improvements in Penn Station New York.
- 3) *Fleet Modernization*: We will continue to accept delivery of new Cruiser buses and will work with New Flyer and Bombardier to deliver new articulated buses and multi-level railcars. Our new fleets will provide customers with a modern transportation experience and will significantly reduce delays and lifecycle maintenance costs.
- 4) *Gateway and Portal North Bridge*: Access and capacity between Newark and New York City is the most critical part of our rail operation. While owned by Amtrak, NJ TRANSIT is committed to providing funding, services, partnership and advocacy to replace the Portal Bridge, repair the Hudson River Tunnel, and increase capacity between Secaucus and New York City.
- 5) *Resiliency*: Superstorm Sandy damaged NJ TRANSIT's infrastructure and exposed weaknesses in our operating and disaster mitigation plans. We must continue and complete the necessary investments to harden and protect our infrastructure and operation against future cataclysmic events.

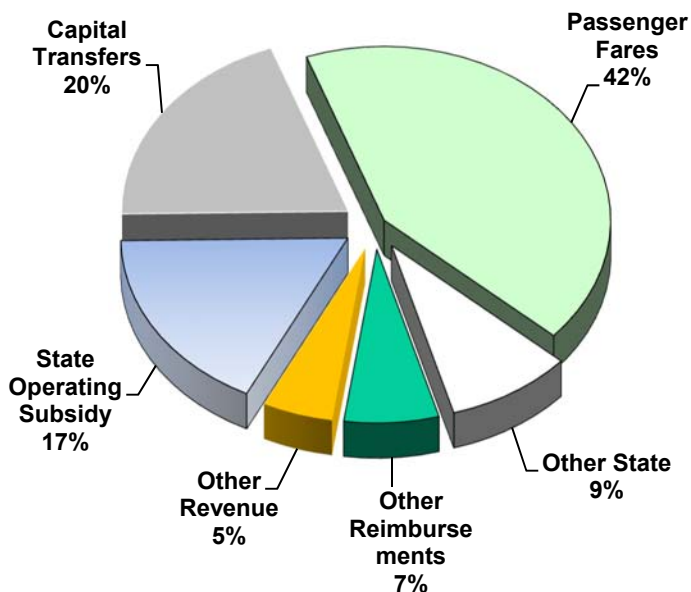
### Four-Year Budget Outlook

	FY18	FY19	FY20	FY21
	Actual	Estimated	Gov's Budget	Preliminary Est.
Passenger Fares	\$ 968.1	\$ 972.6	\$ 985.8	\$ 988.3
Other Revenue	103.6	119.2	117.5	119.5
State Operating Subsidy	140.9	307.5	407.5	407.5
Other Reimbursements	1,041.5	905.2	830.2	818.7
Funding Need	-	-	-	138.2
<b>Total Resources</b>	<b>\$ 2,254.1</b>	<b>\$ 2,304.5</b>	<b>\$ 2,341.0</b>	<b>\$ 2,472.2</b>
<i>Δ from Prior Yr (%)</i>	6.0%	2.2%	1.6%	5.6%
<i>4-Yr CAGR (%)</i>				3.2%
Labor & Fringe Benefits	\$ 1,296.8	\$ 1,368.2	\$ 1,416.4	\$ 1,504.4
Purchased Transportation	245.3	250.2	252.2	256.4
All Other Expenses	690.9	684.9	672.4	711.4
<b>Total Expenses</b>	<b>\$ 2,233.0</b>	<b>\$ 2,303.3</b>	<b>\$ 2,341.0</b>	<b>\$ 2,472.2</b>
<i>Δ from Prior Yr (%)</i>	4.7%	3.1%	1.6%	5.6%
<i>4-Yr CAGR (%)</i>				3.6%

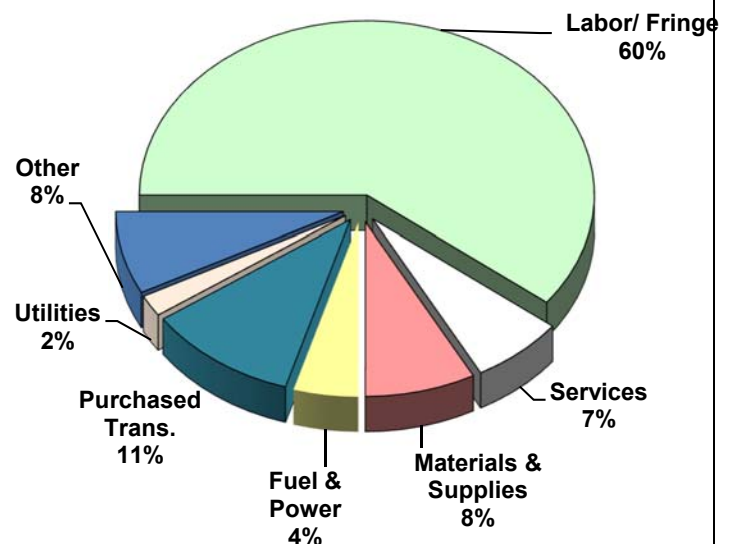
*\*note: FY18 actuals are unaudited*

NJ TRANSIT expects to break-even in the current fiscal year with an estimated \$1.2 million in Net Operating Income. There are no proposed fare increases in FY19, FY20 or FY21. The pie charts below reflect the sources and uses of NJ TRANSIT's operating budget as proposed in the Governor's FY20 Budget. As of January 2019, system-wide ridership is up 1.0% from the previous year largely due to Rail and Light Rail, but slightly offset by Bus ridership declines in both the Central and Southern Divisions.

**FY20 Sources**



**FY20 Uses**

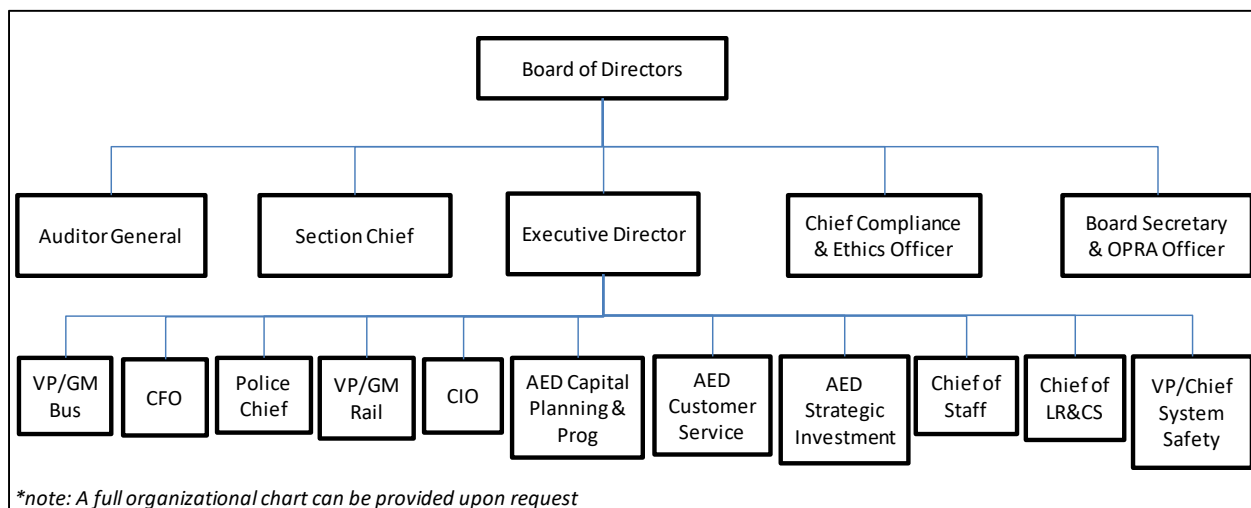


## Agency and State Budget Interaction

NJ TRANSIT’s budgeting process and the State’s budgeting process are heavily intertwined, primarily due to the level of state assistance provided to the Corporation. As an example, the Governor’s FY20 Budget recommends a General Fund subsidy of \$407.5 million, representing 17% of NJ TRANSIT’s total operating budget of \$2.34 billion. The Governor’s FY20 Budget also recommends \$129 million and \$82.1 million in New Jersey Turnpike and Clean Energy Fund support, respectively, which together represent an additional 9% in state assistance for NJ TRANSIT’s operating budget. The budgeting timeline and process for both the Corporation and the State are reflected in Appendix C.

## Organizational Structure

The Corporation is comprised of roughly 12,000 employees, nearly 85% of whom are represented by a union. The current organizational structure for the Corporation is shown immediately below.



## Operating Revenue and Expense Trends

NJ TRANSIT is currently estimating modest cost increases of 3.5% beyond FY21 with funding needs beginning in FY21 (see Appendix D). In order to support those costs, funding may come from any combination of an array of sources including, but not limited to the following:

- Fares and other revenues
- Additional state and/or federal support
- Cost reduction initiatives
- New dedicated funding streams

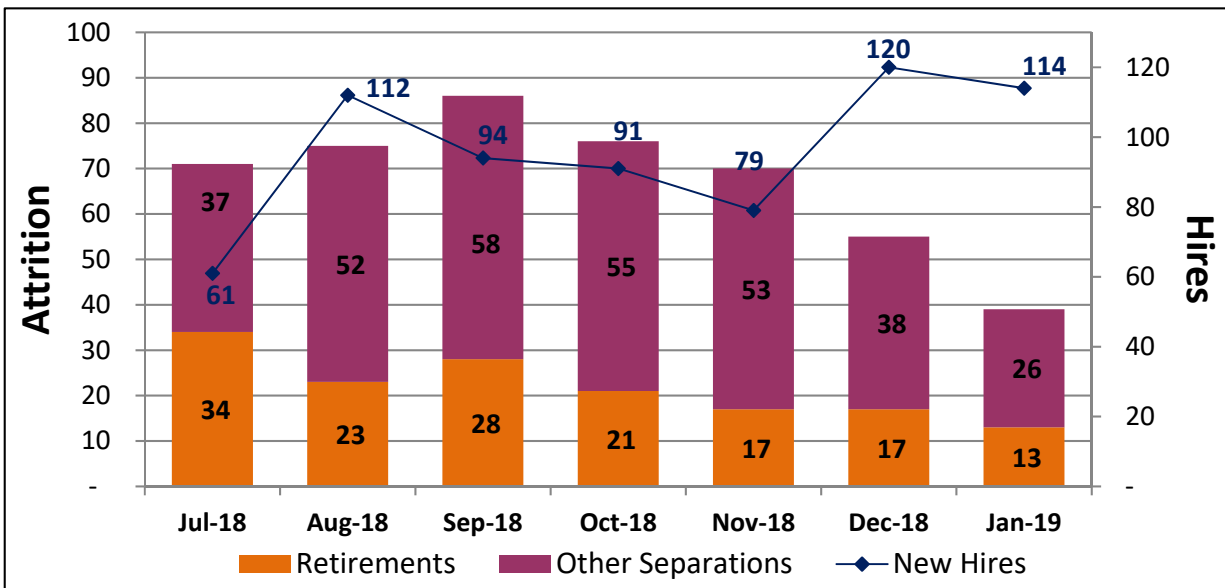
## Current Year Headcount Analysis

In FY19, NJ TRANSIT has a budgeted headcount of 11,713 staff. At the end of January 2019, there were 11,271 positions filled. This left 442 vacancies, which reflected a vacancy rate of only 3.8% of the total budgeted headcount.

FY19 Year-to-Date					
Unit	Headcount				Cost
	Budgeted	Filled	Vacancies	% Vacant	Labor/Fringe
Rail	4,480	4,433	47	1.0%	\$ 380.5
Bus	5,448	5,290	158	2.9%	329.8
Light Rail	239	213	26	10.9%	13.8
Administration	1,546	1,335	211	13.6%	102.7
<b>TOTAL</b>	<b>11,713</b>	<b>11,271</b>	<b>442</b>	<b>3.8%</b>	<b>\$ 826.8</b>

*\*note: Labor/Fringe costs are gross, which includes all reimbursable project time*

Between July 2018 and January 2019, NJ TRANSIT has hired 671 staff and lost 472 staff, 32% of which were due to retirements. Total NJ TRANSIT vacancies have declined by 130, or 22.7% since the beginning of the fiscal year.



*\*note: Headcount data as of the end of January 2019 and excludes interns*

## Capital Program and Analysis

NJ TRANSIT's capital program is largely comprised of Transportation Trust Fund and federal funding. A summary of current capital appropriations and proposed out-year needs for those projects are reflected in Appendix E.

**NJ TRANSIT QUARTERLY RIDERSHIP TRENDS  
First Quarter, Fiscal Year 2019**

**TABLE OF CONTENTS**

<b>NJ TRANSIT System Ridership</b>	<b>Page 2</b>
<b>NJ TRANSIT Market Ridership</b>	<b>Page 3</b>
<b>NJ TRANSIT Rail Ridership</b>	<b>Page 4</b>
<b>NJ TRANSIT Bus Ridership</b>	<b>Page 15</b>
<b>NJ TRANSIT Light Rail Ridership</b>	<b>Page 19</b>
<b>Regional Transportation Trends</b>	<b>Page 23</b>
<b>Regional Economic Trends</b>	<b>Page 25</b>
<b>Weather Conditions</b>	<b>Page 26</b>

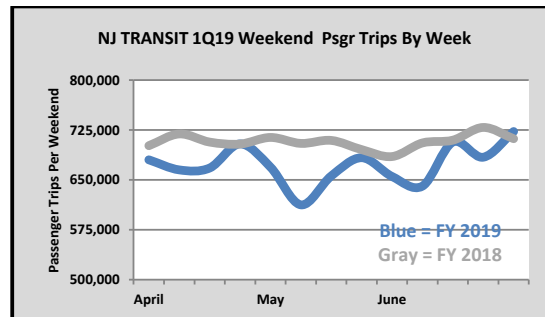
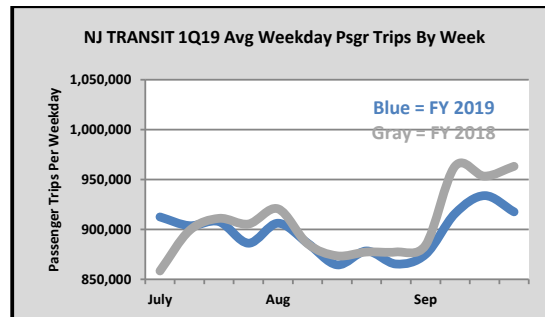
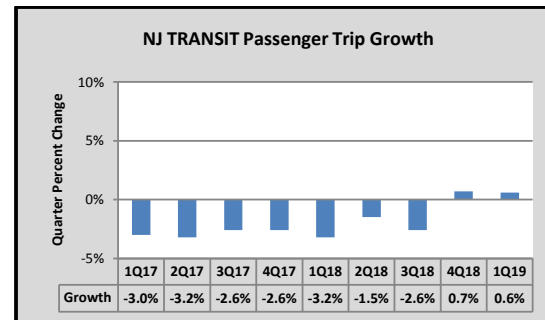
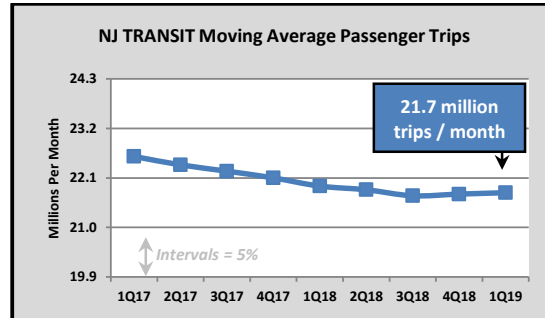
*Data collected and developed for performance analysis purposes; the data may differ from that utilized for other reporting purposes.*

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• **NJ TRANSIT RIDERSHIP**

NJ TRANSIT Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>66.6 million</b>
<b>Growth*</b>	<b>+ 0.6%</b>
<b>Average Weekday Trips</b>	<b>914,100</b>
<b>Change*</b>	<b>+ 7,950</b>
<b>Growth*</b>	<b>+ 0.9%</b>
<b>Average Saturday Trips</b>	<b>420,600</b>
<b>Change*</b>	<b>+ 5,800</b>
<b>Growth*</b>	<b>+ 1.4%</b>
<b>Average Sunday Trips</b>	<b>304,000</b>
<b>Change*</b>	<b>(- 4,750)</b>
<b>Growth*</b>	<b>(- 1.5%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+ 0.1%</b>
-----	
<b>Rail Trips</b>	<b>22.2 million</b>
<b>Growth*</b>	<b>+ 4.4%</b>
<b>Bus Trips</b>	<b>38.2 million</b>
<b>Growth*</b>	<b>(- 1.7%)</b>
<b>Light Rail Trips</b>	<b>6.2 million</b>
<b>Growth*</b>	<b>+ 1.6%</b>
-----	
<b>New York City Trips all modes</b>	
<b>Growth*</b>	<b>+2.2%</b>
<b>Northern New Jersey Trips all modes</b>	
<b>Growth*</b>	<b>(- 1.7%)</b>
<b>Southern New Jersey Trips all modes</b>	
<b>Growth*</b>	<b>(- 2.5%)</b>

\* Compared to same period last year.



First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• **MARKET RIDERSHIP**

**NJ TRANSIT**  
**Passenger Ridership Statistics**  
**Fiscal Year 2019**

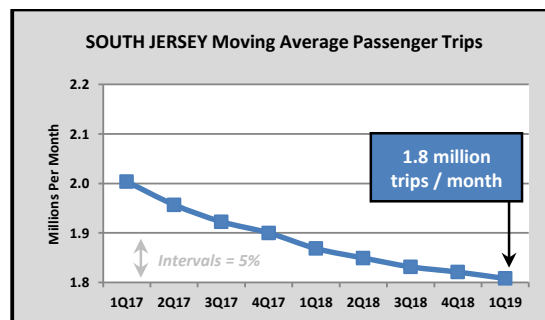
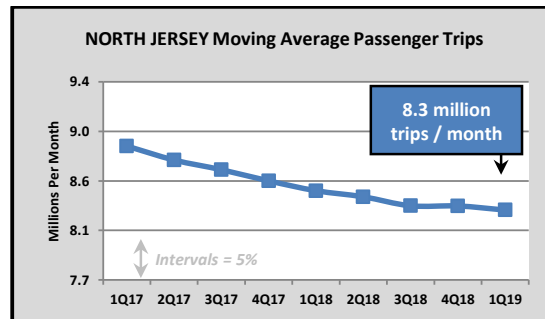
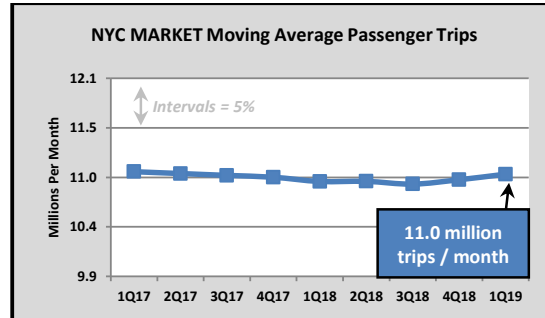


**1<sup>st</sup> Quarter**

Rail New York City Market Psgr Trips Growth*	18.2 million + 4.2%
Bus New York City Market Psgr Trips Growth*	15.6 million +0.0%
<b>Total New York City Market Trips Growth*</b>	<b>33.8 million + 2.2%</b>
Rail Northern NJ Market Psgr Trips Growth*	1.7 million (- 0.9%)
Bus Northern NJ Market Psgr Trips Growth*	17.9 million (- 2.4%)
Light Rail Northern NJ Market Trips Growth*	5.4 million + 0.7%
<b>Total Northern NJ Market Psgr Trips Growth*</b>	<b>25.0 million (- 1.7%)</b>
Rail Southern NJ Market Psgr Trips Growth*	0.2 million (- 12.2%)
Bus Southern NJ Market Psgr Trips Growth*	4.7 million (- 3.7%)
Light Rail Southern NJ Market Trips Growth*	0.8 million + 8.1%
<b>Total Southern NJ Market Psgr Trips Growth*</b>	<b>5.6 million (- 2.5%)</b>

\* Compared to same period last year.

Market designation based on service configuration and travel patterns




NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

**IQ19**

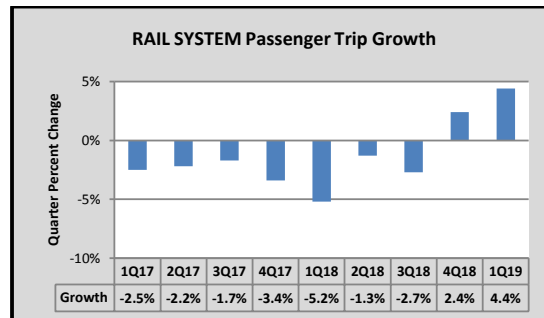
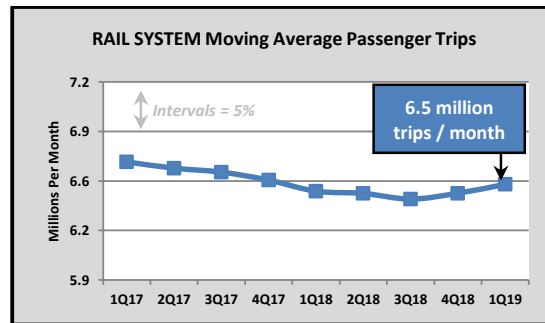
First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• **RAIL RIDERSHIP**

NJ TRANSIT Rail Passenger Ridership Statistics Fiscal Year 2019	
	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>22.2 million</b>
<b>Growth*</b>	<b>+4.4%</b>
<b>Average Weekday Trips</b>	<b>320,900</b>
<b>Change*</b>	<b>+12,700</b>
<b>Growth*</b>	<b>+4.1%</b>
<b>Average Saturday Trips</b>	<b>112,600</b>
<b>Change*</b>	<b>+7,850</b>
<b>Growth*</b>	<b>+7.5%</b>
<b>Average Sunday Trips</b>	<b>94,300</b>
<b>Change*</b>	<b>+4,250</b>
<b>Growth*</b>	<b>+4.7%</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+6.2%</b>
<b>Monthly Passholders#</b>	<b>70,700</b>
<b>Change*</b>	<b>+600</b>
<b>Growth*</b>	<b>+0.8%</b>
<b>Market – Weekday Trips</b>	<b>1<sup>st</sup> Quarter</b>
New York Trips	191,500
Change*	+28,850
Growth*	+17.7%
Newark Trips	38,500
Change*	(- 1,300)
Growth*	(- 3.3%)
Hoboken Trips	33,900
Change*	(- 17,050)
Growth*	(- 33.5%)
Atlantic City Trips	1,200
Growth*	(- 20.0%)
Philadelphia Trips	350
Growth*	(- 30.0%)
Local Trips	22,000
Growth*	(- 2.9%)
Transfers	30,800
Growth*	+11.8%

\* Compared to same period last year; # Passholders average two Rail trips per weekday.

RAIL SYSTEM Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+ 5.9%	+ 3.0%
Round Trip		
Ten Trip Weekly		
Senior Citizen	+ 5.2%	+ 2.4%
Monthly Pass	+ 0.8%	(- 1.9%)
<b>TOTAL</b>	<b>+ 4.4%</b>	<b>+0.7%</b>




RAIL SYSTEM Ridership Trends Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	+0.9%	(- 1.8%)
Weekday Off-Peak	+8.7%	+5.3%
Weekend	+6.2%	(- 0.7%)
<b>TOTAL</b>	<b>+4.4</b>	<b>+0.7%</b>

NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

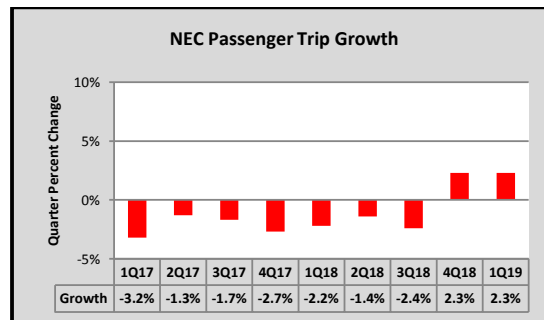
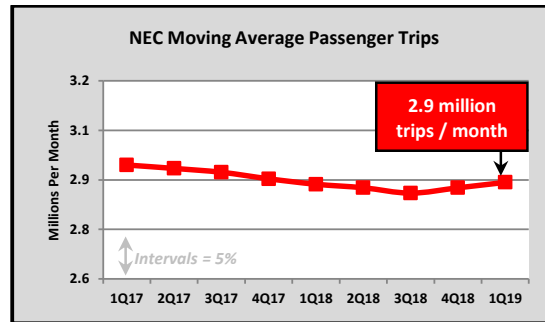
**IQ19**

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

NORTHEAST CORRIDOR Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>8.9 million</b>	
<b>Growth*</b>	<b>+2.3%</b>	
<b>Average Weekday Trips</b>	<b>123,450</b>	
<b>Change*</b>	<b>+2,000</b>	
<b>Growth*</b>	<b>+1.6%</b>	
<b>Average Saturday Trips</b>	<b>56,700</b>	
<b>Change*</b>	<b>+3,000</b>	
<b>Growth*</b>	<b>+5.6%</b>	
<b>Average Sunday Trips</b>	<b>47,250</b>	
<b>Change*</b>	<b>+2,450</b>	
<b>Growth*</b>	<b>+5.5%</b>	
<b>Weekends (Saturday + Sunday)</b>		<b>+5.5%</b>
<b>Monthly Passholders#</b>	<b>26,700</b>	
<b>Change*</b>	<b>(- 200)</b>	
<b>Growth*</b>	<b>(- 0.8%)</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
New York Trips	92,150	
Change*	+3,100	
Growth*	+3.5%	
Newark Trips	22,850	
Change*	(- 950)	
Growth*	(- 4.0%)	
Hoboken Trips	850	
Change*	+50	
Growth*	+6.3%	
Local Trips	7,600	
Change*	(- 200)	
Growth*	(- 2.6%)	

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

NORTHEAST CORRIDOR Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+3.1%	+1.3%
Round Trip		
Ten Trip		
Weekly		
Senior Citizen	+3.6%	(- 1.7%)
Monthly Pass	+0.7%	+2.0%
<b>TOTAL</b>	<b>+ 2.3%</b>	<b>+0.2%</b>




NORTHEAST CORRIDOR Ridership Trends Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	+0.7%	(- 3.1%)
Weekday Off-Peak	+2.7%	+1.7%
Weekend	+4.9%	(- 2.6%)
<b>TOTAL</b>	<b>+2.3%</b>	<b>+0.2%</b>

NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

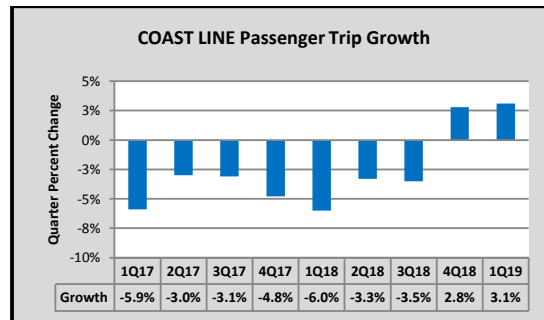
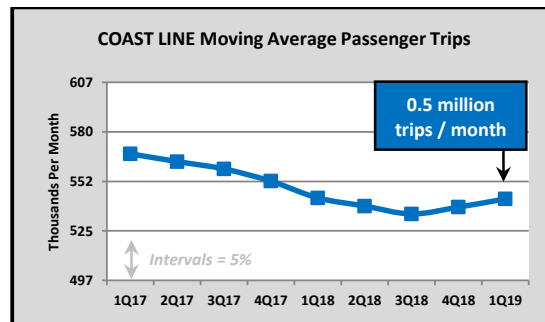
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First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

COAST LINE		
Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>1.8 million</b>	
<b>Growth*</b>	<b>+3.1%</b>	
<b>Average Weekday Trips</b>	<b>24,650</b>	
<b>Change*</b>	<b>+1,150</b>	
<b>Growth*</b>	<b>+4.9%</b>	
<b>Average Saturday Trips</b>	<b>11,800</b>	
<b>Change*</b>	<b>+0</b>	
<b>Growth*</b>	<b>+0.0%</b>	
<b>Average Sunday Trips</b>	<b>10,700</b>	
<b>Change*</b>	<b>(-8,500)</b>	
<b>Growth*</b>	<b>(- 7.4%)</b>	
<b>Weekends (Saturday + Sunday)</b>		
<b>Growth*</b>	<b>(- 3.6%)</b>	
<b>Monthly Passholders#</b>	<b>5,300</b>	
<b>Change*</b>	<b>&lt;(- 50)</b>	
<b>Growth*</b>	<b>(- 0.1%)</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
New York Trips	14,500	
Change*	+1,100	
Growth*	+8.2%	
Newark Trips	5,000	
Change*	+0	
Growth*	+0.0%	
Hoboken Trips	1,000	
Change*	+100	
Growth*	+11.1%	
Local Trips	4,150	
Change*	(- 50)	
Growth*	(- 1.2%)	

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

COAST LINE		
Ridership Trends	1Q FY 2019	Last 12 Months
<b>By Ticket Type</b>		
Oneway		
Round Trip	+1.3%	+0.7%
Ten Trip		
Weekly		
Senior Citizen	+4.6%	(- 1.9%)
Monthly Pass	+5.7%	+2.3%
<b>TOTAL</b>	<b>+ 3.1%</b>	<b>(- 0.1%)</b>




COAST LINE		
Ridership Trends	1Q FY 2019	Last 12 Months
<b>Temporal</b>		
Weekday Peak	+5.7%	(- 5.8%)
Weekday Off-Peak	+4.1%	+0.4%
Weekend	(- 4.1%)	(- 2.5%)
<b>TOTAL</b>	<b>+3.1%</b>	<b>(- 0.1%)</b>

NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

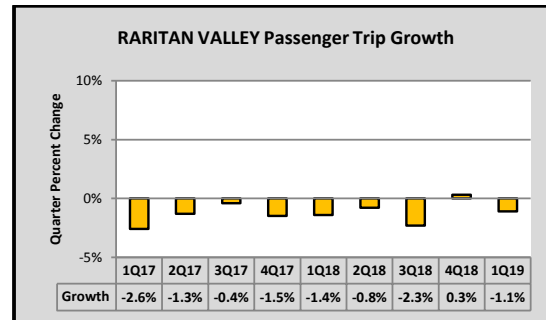
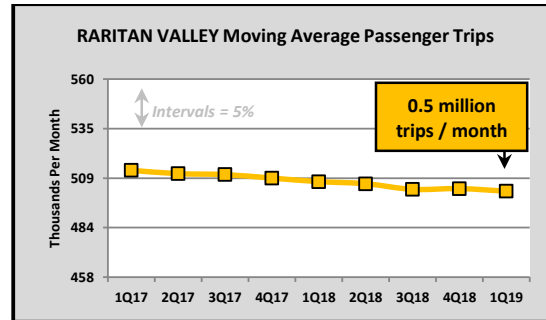
**IQ19**

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

RARITAN VALLEY LINE Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>1.5 million</b>	
<b>Growth*</b>	<b>(- 1.1%)</b>	
<b>Average Weekday Trips</b>	<b>22,700</b>	
<b>Change*</b>	<b>(- 250)</b>	
<b>Growth*</b>	<b>(- 1.1%)</b>	
<b>Average Saturday Trips</b>	<b>4,950</b>	
<b>Change*</b>	<b>+0</b>	
<b>Growth*</b>	<b>+0.0%</b>	
<b>Average Sunday Trips</b>	<b>4,000</b>	
<b>Change*</b>	<b>(- 100)</b>	
<b>Growth*</b>	<b>(- 2.4%)</b>	
<b>Weekends (Saturday + Sunday)</b>		
<b>Growth*</b>	<b>(- 1.1%)</b>	
<b>Monthly Passholders#</b>	<b>7,000</b>	
<b>Change*</b>	<b>(- 100)</b>	
<b>Growth*</b>	<b>(- 1.7%)</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
New York Trips	10,600	
Change*	+200	
Growth*	+1.9%	
Newark Trips	10,050	
Change*	(- 400)	
Growth*	(- 3.8%)	
Hoboken Trips	300	
Change*	+0	
Growth*	+0.0%	
Local Trips	1,750	
Change*	(- 50)	
Growth*	(- 2.8%)	

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

RARITAN VALLEY Ridership Trends		
By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	}	}
Round Trip		
Ten Trip		
Weekly		
Senior Citizen	+0.7%	(- 1.5%)
Monthly Pass	(- 1.2%)	+0.6%
<b>TOTAL</b>	<b>(- 1.1%)</b>	<b>(- 1.0%)</b>



RARITAN VALLEY Ridership Trends		
Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	(- 1.2%)	(- 2.0%)
Weekday Off-Peak	(- 0.5%)	+2.9%
Weekend	(- 1.8%)	(- 5.0%)
<b>TOTAL</b>	<b>(- 1.1%)</b>	<b>(- 1.0%)</b>

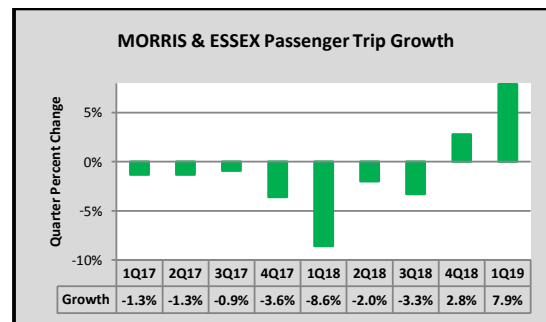
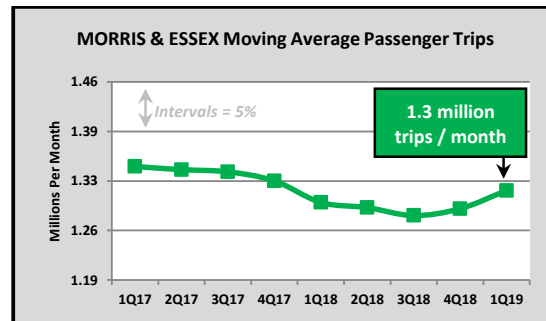
NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

MORRIS & ESSEX LINES	
Morristown Line & Gladstone Branch Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>4.0 million</b>
<b>Growth*</b>	<b>+7.9%</b>
<b>Average Weekday Trips</b>	<b>59,550</b>
<b>Change*</b>	<b>+4,250</b>
<b>Growth*</b>	<b>+7.7%</b>
<b>Average Saturday Trips</b>	<b>15,650</b>
<b>Change*</b>	<b>+1,600</b>
<b>Growth*</b>	<b>+11.4%</b>
<b>Average Sunday Trips</b>	<b>12,900</b>
<b>Change*</b>	<b>+1,000</b>
<b>Growth*</b>	<b>+8.4%</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+10.0%</b>
<b>Monthly Passholders#</b>	<b>14,200</b>
<b>Change*</b>	<b>(- 2,200)</b>
<b>Growth*</b>	<b>(- 13.5%)</b>
<b>Market – Weekday Trips</b>	<b>1<sup>st</sup> Quarter</b>
New York Trips	45,050
<b>Change*</b>	<b>+21,800</b>
<b>Growth*</b>	<b>+93.8%</b>
Newark Trips	2,000
<b>Change*</b>	<b>+150</b>
<b>Growth*</b>	<b>+8.3%</b>
Hoboken Trips	8,200
<b>Change*</b>	<b>(- 17,900)</b>
<b>Growth*</b>	<b>(- 68.6%)</b>
Local Trips	4,300
<b>Change*</b>	<b>+150</b>
<b>Growth*</b>	<b>+3.6%</b>
* Compared to same period last year. # Passholders average two Rail trips per weekday.	

MORRIS & ESSEX Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+19.5%	+9.0%
Round Trip		
Ten Trip Weekly		
Senior Citizen	+18.7%	(- 5.9%)
Monthly Pass	(- 3.1%)	+6.0%
<b>TOTAL</b>	<b>+7.9%</b>	<b>+1.2%</b>



MORRIS & ESSEX Ridership Trends Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	(- 3.1%)	(- 5.7%)
Weekday Off-Peak	+26.6%	+2.2%
Weekend	+9.2%	(- 4.6%)
<b>TOTAL</b>	<b>+7.9%</b>	<b>+1.2%</b>

NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

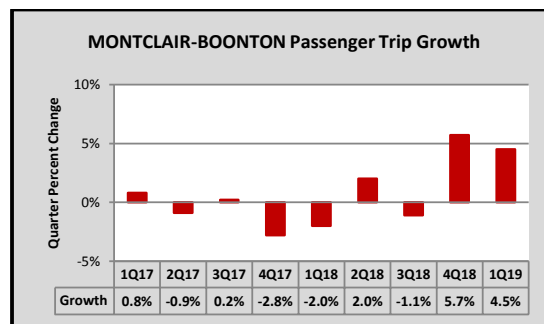
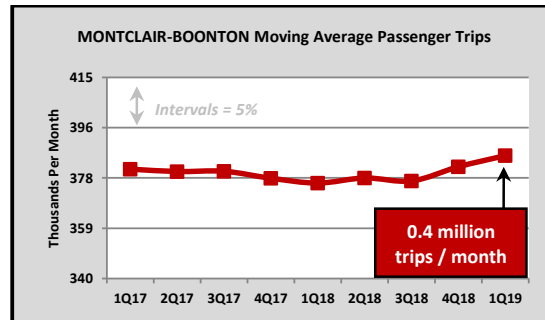
IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

MONTCLAIR-BOONTON LINE		
Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>1.1 million</b>	
<b>Growth*</b>	<b>+4.5%</b>	
<b>Average Weekday Trips</b>	<b>18,400</b>	
<b>Change*</b>	<b>+750</b>	
<b>Growth*</b>	<b>+4.2%</b>	
<b>Average Saturday Trips</b>	<b>1,650</b>	
<b>Change*</b>	<b>+150</b>	
<b>Growth*</b>	<b>+10.0%</b>	
<b>Average Sunday Trips</b>	<b>1,450</b>	
<b>Change*</b>	<b>+150</b>	
<b>Growth*</b>	<b>+11.5%</b>	
<b>Weekends (Saturday + Sunday)</b>		<b>+10.7%</b>
<b>Monthly Passholders#</b>	<b>5,500</b>	
<b>Change*</b>	<b>(- 50)</b>	
<b>Growth*</b>	<b>(- 0.6%)</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
New York Trips	12,800	
Change*	+850	
Growth*	+7.1%	
Newark Trips	700	
Change*	(- 100)	
Growth*	(- 12.5%)	
Hoboken Trips	4,200	
Change*	(- 50)	
Growth*	(- 1.2%)	
Local Trips	700	
Change*	+50	
Growth*	+7.7%	

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

MONTCLAIR-BOONTON LINE Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+8.4%	+8.3%
Round Trip		
Ten Trip		
Weekly		
Senior Citizen	(- 5.6%)	(- 0.5%)
Monthly Pass	+2.8%	+0.8%
<b>TOTAL</b>	<b>+4.5%</b>	<b>+2.7%</b>



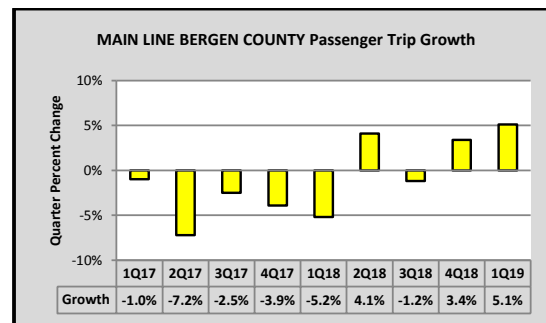
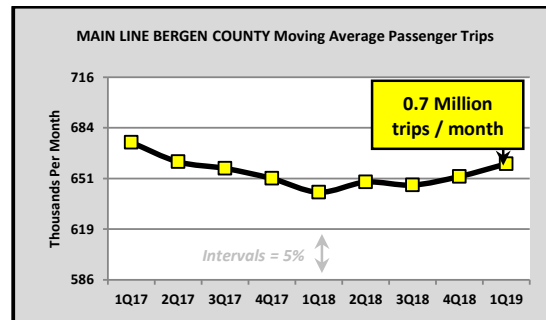
MONTCLAIR-BOONTON Ridership Trends Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	+2.8%	(- 2.2%)
Weekday Off-Peak	+8.6%	+13.5%
Weekend	+10.4%	+0.8%
<b>TOTAL</b>	<b>+4.5%</b>	<b>+2.7%</b>

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

MAIN LINE BERGEN COUNTY Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>2.0 million</b>	
<b>Growth*</b>	<b>+5.1%</b>	
<b>Average Weekday Trips</b>	<b>31,050</b>	
<b>Change*</b>	<b>+1,600</b>	
<b>Growth*</b>	<b>+5.4%</b>	
<b>Average Saturday Trips</b>	<b>6,100</b>	
<b>Change*</b>	<b>+100</b>	
<b>Growth*</b>	<b>+1.7%</b>	
<b>Average Sunday Trips</b>	<b>5,050</b>	
<b>Change*</b>	<b>+50</b>	
<b>Growth*</b>	<b>+1.0%</b>	
<b>Weekends (Saturday + Sunday)</b>		<b>+1.4%</b>
<b>Growth*</b>		
<b>Monthly Passholders#</b>	<b>9,600</b>	
<b>Change*</b>	<b>+150</b>	
<b>Growth*</b>	<b>+ 1.4%</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
New York Trips	13,350	
Change*	+1,400	
Growth*	+11.7%	
Newark Trips	350	
Change*	+0	
Growth*	+0.0%	
Hoboken Trips	14,800	
Change*	+600	
Growth*	+4.2%	
Local Trips	2,550	
Change*	(- 400)	
Growth*	(- 13.6%)	


\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

MAIN LINE BERGEN COUNTY Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+6.3%	+3.6%
Round Trip		
Ten Trip		
Weekly		
Senior Citizen	+2.9%	+2.3%
Monthly Pass	+4.4%	+3.8%
<b>TOTAL</b>	<b>+5.1%</b>	<b>+2.8%</b>



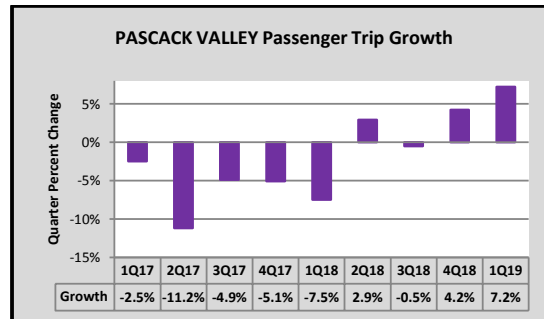
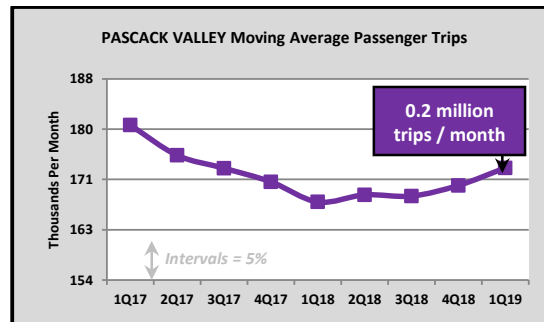
MAIN LINE BERGEN COUNTY Ridership Trends Temporal	1Q FY 2019	Last 12 Months
Weekday Peak	+4.4%	(- 0.6%)
Weekday Off-Peak	+7.8%	+3.1%
Weekend	+0.7%	(- 4.5%)
<b>TOTAL</b>	<b>+5.1</b>	<b>+2.8%</b>

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

PASCACK VALLEY LINE	
	
<b>Passenger Ridership Statistics</b> Fiscal Year 2019	
<b>1<sup>st</sup> Quarter</b>	
<b>Total Passenger Trips</b>	<b>0.5 million</b>
<b>Growth*</b>	<b>+7.2%</b>
<b>Average Weekday Trips</b>	<b>8,400</b>
<b>Change*</b>	<b>+550</b>
<b>Growth*</b>	<b>+7.0%</b>
<b>Average Saturday Trips</b>	<b>1,150</b>
<b>Change*</b>	<b>+150</b>
<b>Growth*</b>	<b>+15.0%</b>
<b>Average Sunday Trips</b>	<b>1,050</b>
<b>Change*</b>	<b>+50</b>
<b>Growth*</b>	<b>+5.0%</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+10.0%</b>
<b>Monthly Passholders#</b>	<b>2,700</b>
<b>Change*</b>	<b>+ 50</b>
<b>Growth*</b>	<b>+ 1.5%</b>
<b>1<sup>st</sup> Quarter</b>	
<b>Market – Weekday Trips</b>	
New York Trips	3,050
Change*	+ 400
Growth*	+15.1%
Newark Trips	200
Change*	+0
Growth*	+0.0%
Hoboken Trips	4,450
Change*	+100
Growth*	+2.3%
Local Trips	700
Change*	+50
Growth*	+7.7%

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

PASCACK VALLEY		
Ridership Trends	1Q FY 2019	Last 12 Months
<b>By Ticket Type</b>		
Oneway	+8.1%	+3.7%
Round Trip		
Ten Trip Weekly		
Senior Citizen	+14.0%	+3.1%
Monthly Pass	+5.8%	+6.5%
<b>TOTAL</b>	<b>+7.2%</b>	<b>+3.5%</b>



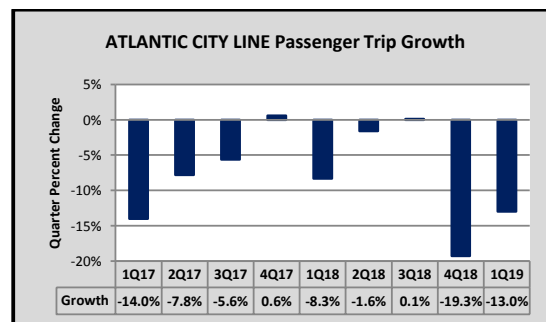
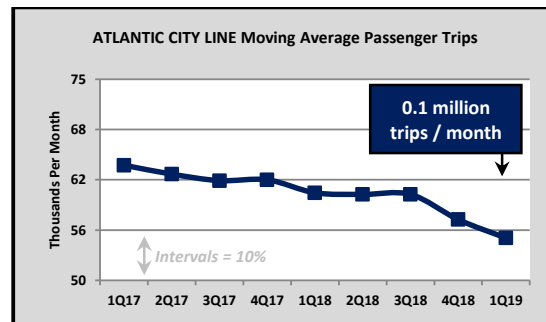
PASCACK VALLEY		
Ridership Trends	1Q FY 2019	Last 12 Months
<b>Temporal</b>		
Weekday Peak	+5.8%	(- 0.6%)
Weekday Off-Peak	+10.8%	+2.5%
Weekend	+9.7%	(- 8.7%)
<b>TOTAL</b>	<b>+7.2%</b>	<b>+3.5%</b>

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

ATLANTIC CITY LINE Passenger Ridership Statistics Fiscal Year 2019		
		<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>0.2 million</b>	
<b>Growth*</b>	<b>(- 13.0%)</b>	
<b>Average Weekday Trips</b>	<b>1,650</b>	
<b>Change*</b>	<b>(- 750)</b>	
<b>Growth*</b>	<b>(- 31.3%)</b>	
<b>Average Saturday Trips</b>	<b>3,500</b>	
<b>Change*</b>	<b>+1,300</b>	
<b>Growth*</b>	<b>+59.1%</b>	
<b>Average Sunday Trips</b>	<b>2,450</b>	
<b>Change*</b>	<b>+200</b>	
<b>Growth*</b>	<b>+8.9%</b>	
<b>Weekends (Saturday + Sunday)</b>		
<b>Growth*</b>	<b>+33.7%</b>	
<b>Monthly Passholders#</b>	<b>250</b>	
<b>Change*</b>	<b>&lt; (-50)</b>	
<b>Growth*</b>	<b>(- 5.6%)</b>	
<b>Market – Weekday Trips</b>		<b>1<sup>st</sup> Quarter</b>
Atlantic City Trips	1,200	
Change*	(- 300)	
Growth*	(- 20.0%)	
Philadelphia Trips	350	
Change*	(- 150)	
Growth*	(- 30.0%)	
Local Trips	100	
Change*	(- 300)	
Growth*	(- 75.0%)	

\* Compared to same period last year.  
# Passholders average two Rail trips per weekday.

ATLANTIC CITY Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	} (- 13.8%)	3.0%
Round Trip		
Ten Trip		
Weekly		
Senior Citizen	(- 11.3%)	(- 1.9%)
Monthly Pass	(- 13.0%)	+2.4%
<b>TOTAL</b>	<b>(- 13.0%)</b>	<b>+0.7%</b>



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

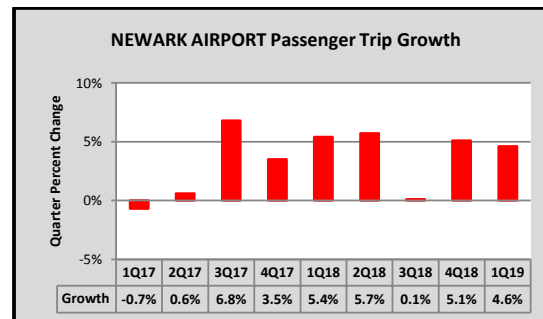
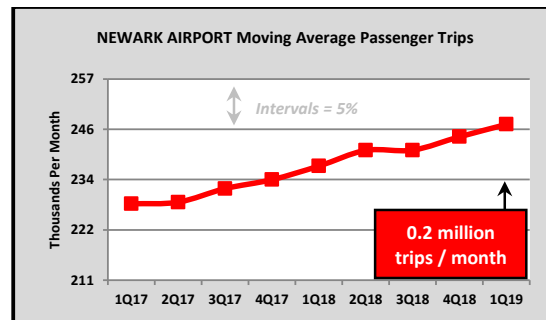
IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

NEWARK AIRPORT RAIL STATION Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>784,100</b>
<b>Growth*</b>	<b>+4.6%</b>
<b>Northeast Corridor Trips</b>	<b>743,200</b>
<b>Growth*</b>	<b>+5.1%</b>
<b>Coast Line Trips</b>	<b>19,000</b>
<b>Growth*</b>	<b>+ 9.4%</b>
<b>Raritan Valley Line Trips</b>	<b>3,300</b>
<b>Growth*</b>	<b>(- 4.5%)</b>
<b>Morris &amp; Essex Lines Trips</b>	<b>800</b>
<b>Growth*</b>	<b>(- 0.4%)</b>
<b>Main Line Bergen County Trips</b>	<b>3,400</b>
<b>Growth*</b>	<b>(- 6.9%)</b>
<b>Montclair-Boonton Line Trips</b>	<b>400</b>
<b>Growth*</b>	<b>+57.1%</b>
<b>Pascack Valley Line Trips</b>	<b>1,100</b>
<b>Growth*</b>	<b>+ 12.5%</b>
<b>Largest Markets</b>	<b>1<sup>st</sup> Quarter</b>
<b>New York Trips</b>	<b>576,600</b>
<b>Growth*</b>	<b>+5.0%</b>
<b>Newark Trips</b>	<b>40,800</b>
<b>Growth*</b>	<b>(- 2.6%)</b>
<b>Princeton Junction Trips</b>	<b>22,800</b>
<b>Growth*</b>	<b>+4.2%</b>
<b>Trenton Trips</b>	<b>16,100</b>
<b>Growth*</b>	<b>+10.6%</b>
<b>Hamilton Trips</b>	<b>15,200</b>
<b>Growth*</b>	<b>+4.9%</b>
<b>New Brunswick Trips</b>	<b>11,300</b>
<b>Growth*</b>	<b>(- 4.4%)</b>
<b>Princeton Trips</b>	<b>6,700</b>
<b>Growth*</b>	<b>+4.7%</b>

\* Compared to same period last year.

NEWARK AIRPORT RAIL STATION Ridership Trends By Ticket Type		
	1Q FY 2019	Last 12 Months
Oneway		
Round Trip	+4.7%	(- 2.7%)
Ten Trip		
Child	+8.8%	+2.3%
Senior Citizen	+6.7%	(- 0.4%)
Monthly Pass	(- 4.8%)	(- 6.9%)
<b>TOTAL</b>	<b>+4.6%</b>	<b>+4.1%</b>



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

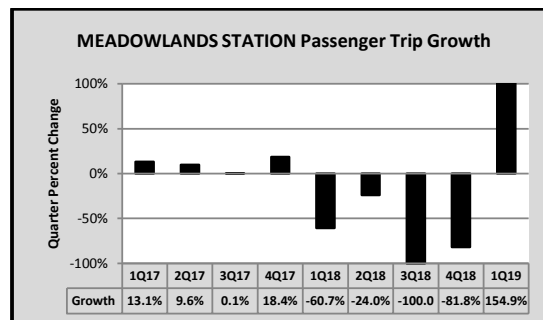
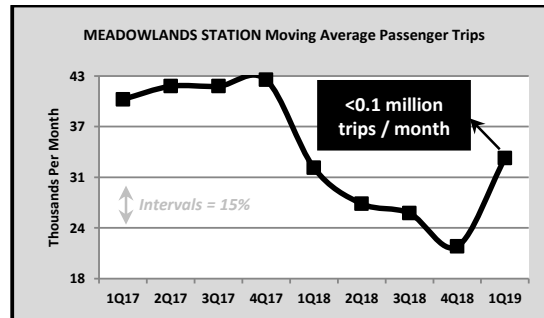
**IQ19**

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

MEADOWLANDS SPORTS COMPLEX STATION Passenger Ridership Statistics Fiscal Year 2019	
	<u>1<sup>st</sup> Quarter</u>
Total Counted Passenger Trips	215,050
Growth*	+154.9%
Average Counted Trips Per Event	11,300
Change*	+775
Growth*	+7.3%
Events & Average Counted Trips	
Concerts - 8 events	13,100
Soccer Games - 4 events	7,900
NFL Pre-Season Games – 4 events	8,900
NFL Games – 3 events	14,350
Passenger Origin (based on ticket sales)	
NY Penn Station	80%
Hoboken Terminal	4%
<u>Secaucus Junction</u>	<u>9%</u>
Subtotal	93%
Northeast Corridor stations	3%
Coast Line stations	1%
Main Line Bergen County stations	1%
Morris & Essex stations	1%
Raritan Valley Line stations	<1%
Pascack Valley Line stations	<1%
<u>Montclair-Boonton Line stations</u>	<u>&lt;1%</u>
Subtotal	7%

\* Compared to same period last year.

MEADOWLANDS STATION	1Q FY 2019	Last 12 Months
<b>Ridership Trends</b>		
NFL Football	+48.6%	(- 5.2%)
Concerts	+428.1%	+25.1%
Soccer	+171.8%	+79.3%
College Football	---	(- 100.0%)
Other	---	---
<b>TOTAL</b>	<b>+154.9%</b>	<b>+3.8%</b>



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

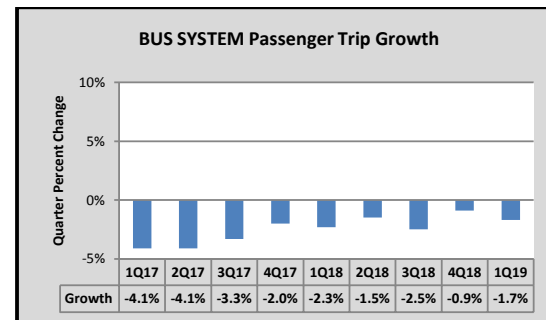
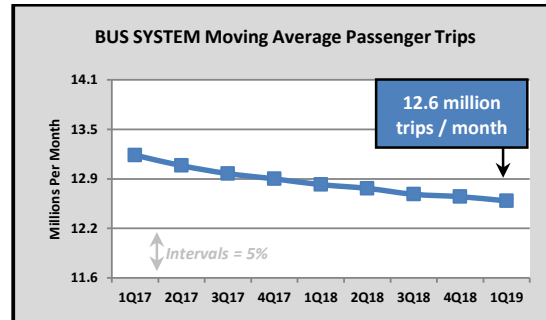
IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

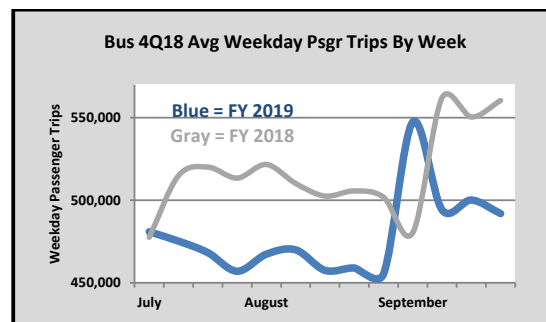
• BUS RIDERSHIP

NJ TRANSIT Bus Passenger Ridership Statistics Fiscal Year 2018	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>38.2 million</b>
<b>Growth*</b>	<b>(- 1.7%)</b>
<b>Average Weekday Trips</b>	<b>510,600</b>
<b>Change*</b>	<b>(- 7,050)</b>
<b>Growth*</b>	<b>(- 1.4%)</b>
<b>Average Saturday Trips</b>	<b>267,450</b>
<b>Change*</b>	<b>(- 4,500)</b>
<b>Growth*</b>	<b>(- 1.7%)</b>
<b>Average Sunday Trips</b>	<b>182,900</b>
<b>Change*</b>	<b>(- 4,850)</b>
<b>Growth*</b>	<b>(- 2.6%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>(- 2.0%)</b>

\* Compared to same period last year.



BUS SYSTEM Ridership Trends By Route Group	1Q FY 2019	Last 12 Months
New York Interstate	+0.0%	+0.3%
North Jersey Intrastate	(- 2.8%)	(- 2.6%)
Philadelphia Interstate	(- 3.0%)	(- 4.0%)
South Jersey Intrastate	(- 3.9%)	(- 4.1%)
Special Event / Seasonal	(- 0.2%)	(- 4.0%)
<b>NJ TRANSIT Operated</b>	<b>(- 1.7%)</b>	<b>(- 1.5%)</b>
Contracted Services	+0.0%	(- 2.6%)
<b>TOTAL BUS</b>	<b>(- 1.7%)</b>	<b>(- 1.7%)</b>



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

**IQ19**

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

NEW YORK INTERSTATE BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>15.6 million</b>
<b>Growth*</b>	<b>+0.0%</b>
<b>Average Weekday Trips</b>	<b>209,100</b>
<b>Change*</b>	<b>+750</b>
<b>Growth*</b>	<b>+0.4%</b>

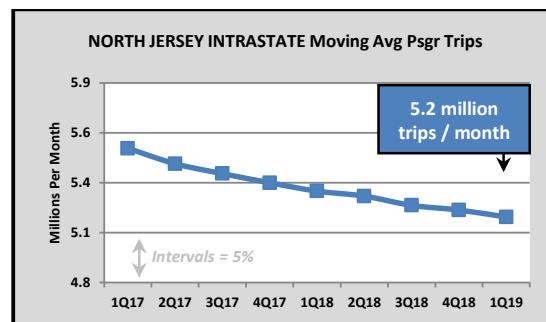
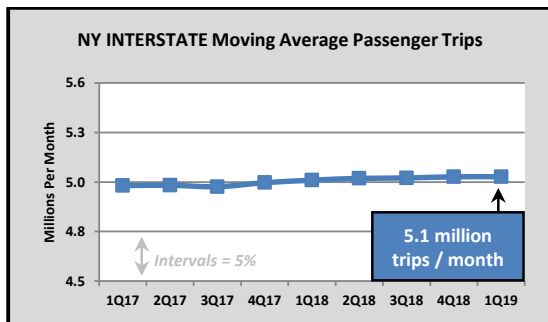
\* Compared to same period last year.

NORTH JERSEY INTRASTATE BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>15.3 million</b>
<b>Growth*</b>	<b>(- 3.0%)</b>
<b>Average Weekday Trips</b>	<b>204,000</b>
<b>Change*</b>	<b>(- 5,700)</b>
<b>Growth*</b>	<b>(- 2.7%)</b>

\* Compared to same period last year.

NEW YORK INTERSTATE Ridership Trends By Route Group	1Q FY 2019	Last 12 Months
Bergen- Passaic- Hudson	+0.2%	+ 0.4%
Essex- Union- North Middlesex	(- 1.8%)	(- 0.8%)
Geo Washington Bridge	+6.6%	+7.9%
Lower Manhattan	+3.7%	(- 5.8%)
South Middlesex- Monmouth- Ocean	(- 2.4%)	(- 2.1%)
<b>NEW YORK INTERSTATE</b>	<b>+0.0%</b>	<b>+0.3%</b>

NORTH JERSEY INTRASTATE BUS Ridership Trends By Route Group	1Q FY 2019	Last 12 Months
Bergen-Passaic	(- 3.1%)	(- 2.1%)
Essex- Union- West Hudson	(- 2.8%)	(- 2.5%)
Hudson County	(- 3.6%)	(- 3.7%)
South Middlesex- Monmouth- Ocean	(- 2.1%)	(- 1.8%)
Morris County	(- 5.7%)	(- 0.9%)
<b>NORTH JERSEY INTRASTATE</b>	<b>(- 3.0%)</b>	<b>(- 2.6%)</b>



# IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

PHILADELPHIA INTERSTATE BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	<u>1<sup>st</sup> Quarter</u>
Total Passenger Trips	1.2 million
Growth*	(- 3.0%)
Average Weekday Trips	16,700
Change*	(- 450)
Growth*	(- 2.6%)

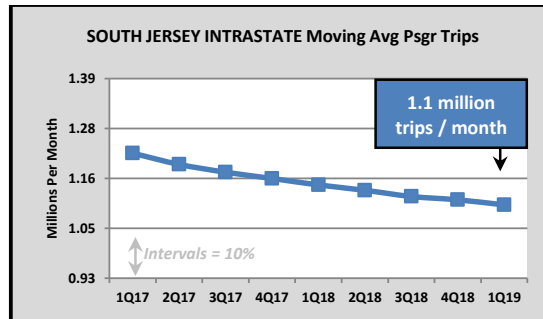
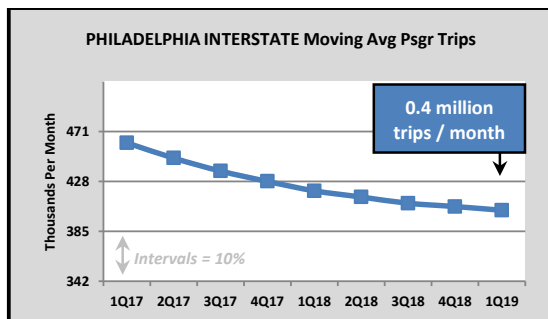
\* Compared to same period last year.

SOUTH JERSEY INTRASTATE BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	<u>1<sup>st</sup> Quarter</u>
Total Passenger Trips	3.4 million
Growth*	(- 3.9%)
Average Weekday Trips	46,050
Change*	(- 1,750)
Growth*	(- 3.7%)

\* Compared to same period last year.

PHILADELPHIA INTERSTATE BUS Ridership Trends By Route Group	1Q FY 2019	Last 12 Months
Camden-		
Burlington-	(- 3.7%)	(- 5.0%)
Mercer		
Camden-Gloucester	(- 1.5%)	(- 3.3%)
Gloucester-		
Salem-	(- 4.7%)	(- 3.9%)
Cumberland		
<b>PHILADELPHIA INTERSTATE</b>	<b>(- 3.0%)</b>	<b>(- 4.0%)</b>

SOUTH JERSEY INTRASTATE BUS Ridership Trends By Route Group	1Q FY 2019	Last 12 Months
Atlantic County	(- 1.8%)	(- 1.6%)
Atlantic Regional	(- 1.4%)	(- 2.0%)
Camden-		
Burlington-	(- 2.6%)	(- 2.3%)
Mercer		
Camden-		
Gloucester-	(- 5.4%)	(- 7.8%)
Burlington		
Mercer County	(- 8.1%)	(- 6.3%)
<b>SOUTH JERSEY INTRASTATE</b>	<b>(- 3.9%)</b>	<b>(- 4.1%)</b>



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

SPECIAL EVENT & SEASONAL BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	1 <sup>st</sup> Quarter
Total Passenger Trips	<0.1 million
Growth*	(- 0.2%)
Average Weekday Trips	800
Change*	+0
Growth*	+0.0%

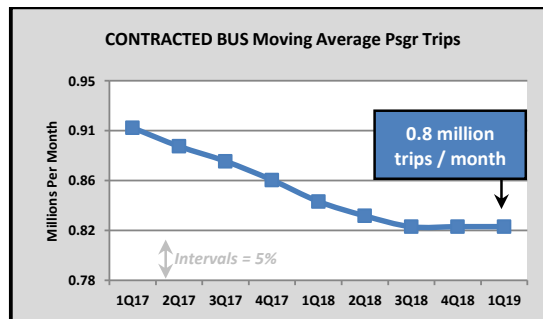
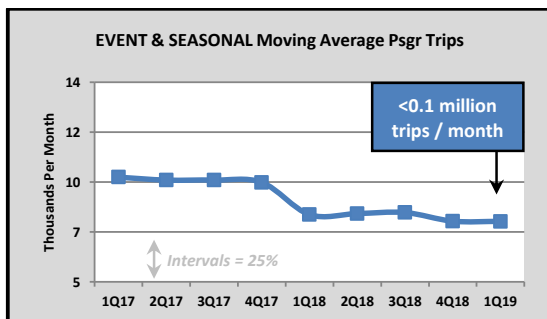
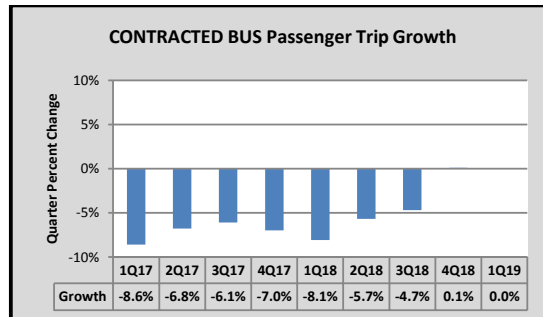
\* Compared to same period last year.

CONTRACTED BUS ROUTES Passenger Ridership Statistics Fiscal Year 2019	
	1 <sup>st</sup> Quarter
Total Passenger Trips	2.5 million
Growth*	+ 0.0%
Average Weekday Trips	33,950
Change*	+100
Growth*	+0.3%

\* Compared to same period last year.

\*\*\*\*

SPECIAL EVENT & SEASONAL BUS Ridership Trends	1Q FY 2019	Last 12 Months
<b>Meadowlands Sports Complex Service</b>		
353 Secaucus Jct	(- 90.5%)	(- 78.4%)
<b>Six Flags Great Adventure Service</b>		
308 New York	(- 15.3%)	(- 19.5%)
<b>Seashore Service</b>		
316 Phila-Cape May	+ 25.6%	(- 14.9%)

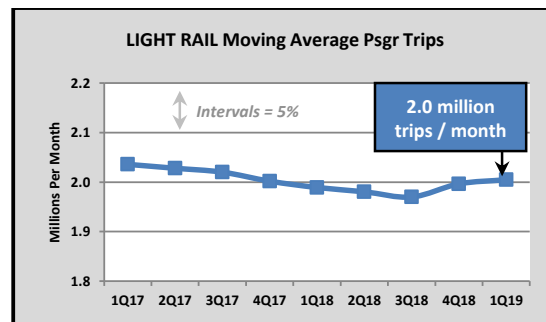


• **LIGHT RAIL RIDERSHIP**

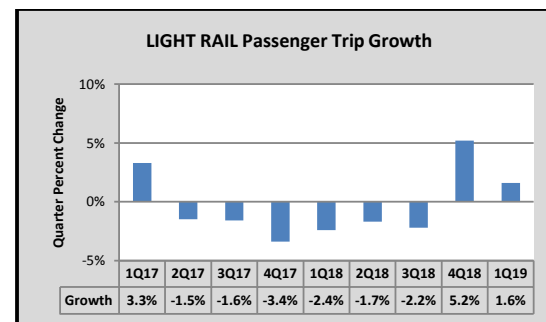
NJ TRANSIT Light Rail Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>6.2 million</b>
<b>Growth*</b>	<b>+1.6%</b>
<b>Average Weekday Trips</b>	<b>82,600</b>
<b>Change*</b>	<b>+2,300</b>
<b>Growth*</b>	<b>+2.9%</b>
<b>Average Saturday Trips</b>	<b>40,550</b>
<b>Change*</b>	<b>+2,450</b>
<b>Growth*</b>	<b>+6.4%</b>
<b>Average Sunday Trips</b>	<b>26,800</b>
<b>Change*</b>	<b>(- 4,150)</b>
<b>Growth*</b>	<b>(- 13.4%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>(- 2.5%)</b>

\* Compared to same period last year.

LIGHT RAIL SYSTEM	1Q FY 2019	Last 12 Months
<b>Ridership Trends By Ticket Type</b>		
Oneway	+1.7%	+0.7%
Senior Citizen	+8.5%	+5.1%
Ten Trip	+4.4%	+4.1%
Monthly Pass & Other	+0.9%	+0.3%
<b>TOTAL</b>	<b>+1.6%</b>	<b>+0.8%</b>



LIGHT RAIL Ridership Trends By Service	1Q FY 2019	Last 12 Months
Newark Light Rail	+1.0%	(- 0.2%)
Hudson Bergen Light Rail	+0.7%	+0.6%
River LINE	+8.1%	+3.9%
<b>TOTAL LIGHT RAIL</b>	<b>+1.6%</b>	<b>+0.8%</b>



First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

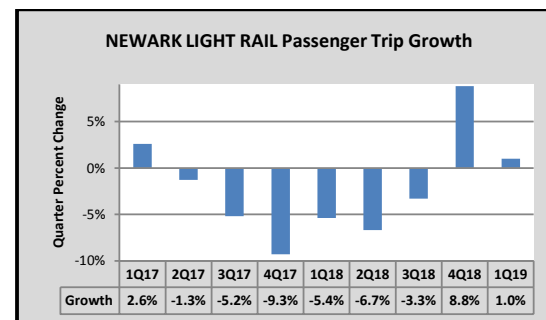
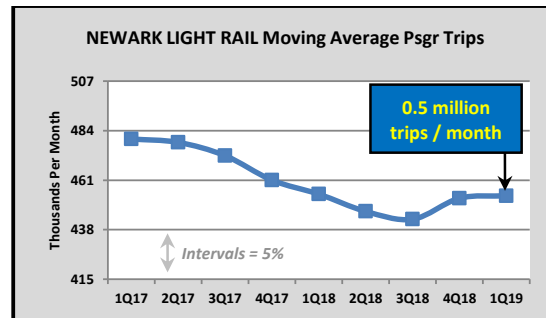
• **NEWARK LIGHT RAIL**

NEWARK LIGHT RAIL Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>1.4 million</b>
<b>Growth*</b>	<b>+1.0%</b>
<b>Average Weekday Trips</b>	<b>19,100</b>
<b>Change*</b>	<b>+100</b>
<b>Growth*</b>	<b>+0.5%</b>
<b>Average Saturday Trips</b>	<b>7,350</b>
<b>Change*</b>	<b>+850</b>
<b>Growth*</b>	<b>+13.1%</b>
<b>Average Sunday Trips</b>	<b>4,300</b>
<b>Change*</b>	<b>(-100)</b>
<b>Growth*</b>	<b>(- 2.3%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+6.9%</b>

\* Compared to same period last year.

NEWARK LIGHT RAIL Average Weekday Boardings	1Q FY 2019	Vs. Prior Year
Non-CBD Stations	8,772	+3.3%
Newark CBD Stations	9,507	(- 2.2%)
Broad Street Extension	821	+4.8%
<b>TOTAL NEWARK LIGHT RAIL</b>	<b>19,100</b>	<b>+0.5%</b>

NEWARK LIGHT RAIL Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	(- 4.4%)	(- 3.2%)
Senior Citizen	+10.3%	+3.3%
Ten Trip	+5.1%	+3.8%
Monthly Pass & Other	+2.1%	+0.6%
<b>TOTAL</b>	<b>+1.0%</b>	<b>(- 0.2%)</b>



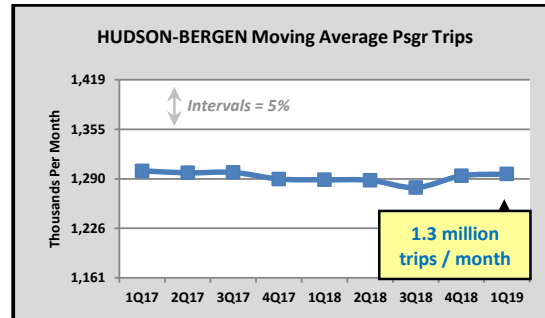
First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• HUDSON-BERGEN LIGHT RAIL

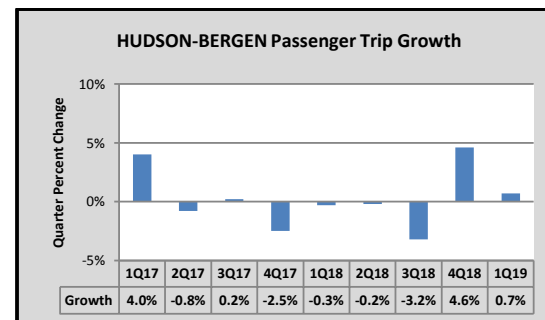
HUDSON-BERGEN LIGHT RAIL Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>4.0 million</b>
<b>Growth*</b>	<b>+0.7%</b>
<b>Average Weekday Trips</b>	<b>54,000</b>
<b>Change*</b>	<b>+1,450</b>
<b>Growth*</b>	<b>+2.8%</b>
<b>Average Saturday Trips</b>	<b>25,850</b>
<b>Change*</b>	<b>+300</b>
<b>Growth*</b>	<b>+1.2%</b>
<b>Average Sunday Trips</b>	<b>17,850</b>
<b>Change*</b>	<b>(-3,750)</b>
<b>Growth*</b>	<b>(- 17.4%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>(- 7.3%)</b>

\* Compared to same period last year.

HUDSON-BERGEN Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+4.2%	+2.4%
Senior Citizen	+8.0%	+5.9%
Ten Trip	+5.2%	+4.5%
Monthly Pass & Other	(- 0.8%)	(- 0.4%)
<b>TOTAL</b>	<b>+0.7%</b>	<b>+0.6%</b>



HUDSON-BERGEN Average Weekday Boardings	1Q FY 2019	Vs. Prior Year
Stations Bayonne 8 <sup>th</sup> -Richard	8,764	(- 4.3%)
Stations West Side-Garfield	4,792	(- 0.4%)
Stations LSP-Hoboken	29,908	+11.2%
Stations Hoboken 2 <sup>nd</sup> -Tonelle	10,537	(- 9.7%)
<b>TOTAL HUDSON-BERGEN</b>	<b>54,000</b>	<b>+2.8%</b>



First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

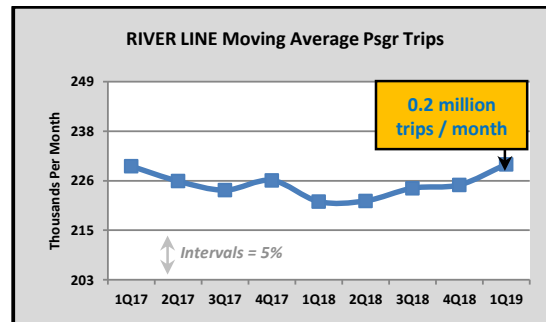
• RIVER LINE

RIVER LINE Passenger Ridership Statistics Fiscal Year 2019	
	<b>1<sup>st</sup> Quarter</b>
<b>Total Passenger Trips</b>	<b>0.8 million</b>
<b>Growth*</b>	<b>+8.1%</b>
<b>Average Weekday Trips</b>	<b>9,500</b>
<b>Change*</b>	<b>+750</b>
<b>Growth*</b>	<b>+8.6%</b>
<b>Average Saturday Trips</b>	<b>7,350</b>
<b>Change*</b>	<b>+1,300</b>
<b>Growth*</b>	<b>+21.5%</b>
<b>Average Sunday Trips</b>	<b>4,650</b>
<b>Change*</b>	<b>(-300)</b>
<b>Growth*</b>	<b>(- 6.1%)</b>
<b>Weekends (Saturday + Sunday)</b>	
<b>Growth*</b>	<b>+9.1%</b>

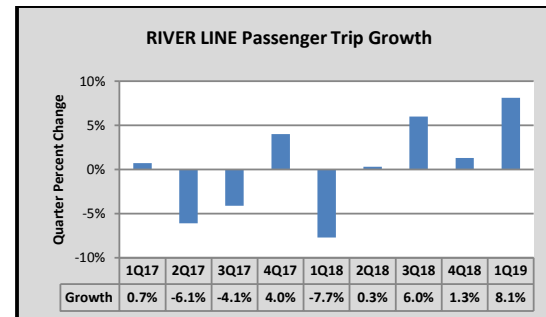
\* Compared to same period last year.



RIVER LINE Ridership Trends By Ticket Type	1Q FY 2019	Last 12 Months
Oneway	+3.5%	+1.8%
Senior Citizen	+7.5%	+5.8%
Ten Trip	(- 4.7%)	+0.5%
Monthly Pass & Other	+11.8%	+5.1%
<b>TOTAL</b>	<b>+8.1%</b>	<b>3.9%</b>



RIVER LINE Average Weekday Boardings	1Q FY 2019	Vs. Prior Year
Trenton Stations	1,923	(- 5.6%)
Bordentown-Beverly	2,522	+3.9%
Delanco-Pennsauken	1,733	+0.8%
Camden Stations	3,322	+29.4%
<b>TOTAL RIVER LINE</b>	<b>9,500</b>	<b>+8.6%</b>

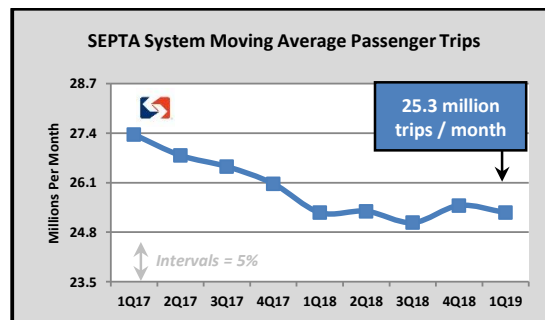
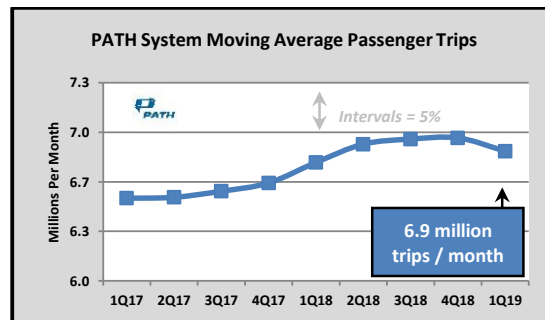
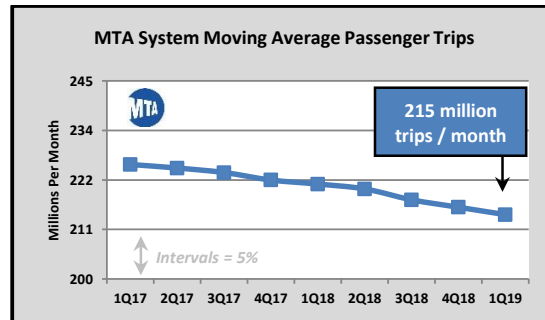
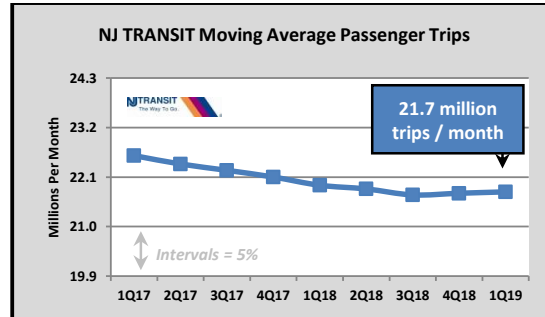


First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

REGIONAL TRANSPORTATION TRENDS

REGIONAL TRANSPORTATION TRENDS	
Percent Change	
Fiscal Year 2019	
Ridership	1 <sup>st</sup> Quarter
<b>NJ TRANSIT System</b>	+ 0.6%
Rail	+ 4.4%
Bus	(- 1.7%)
Light Rail	+ 1.6%
<b>MTA System</b>	(- 3.3%)
NYC Transit	(- 3.8%)
Staten Island Railroad	(- 3.0%)
Long Island Rail Road	+0.7%
Metro North Railroad	(- 0.1%)
<b>PATH System</b>	(- 6.2%)
Newark station	(- 3.8%)
Hoboken station	(- 19.5%)
33 <sup>rd</sup> Street station	(- 25.2%)
World Trade Center station	+13.4%
<b>SEPTA System</b>	(- 1.2%)
City Transit	(- 1.6%)
Suburban Transit	(- 1.7%)
Regional Rail	+2.1%
<b>PATCO</b>	+0.1%
<b>Amtrak Northeast</b>	+5.3%
Acela (Boston-NYC-Washington)	+2.7%
Regional (Boston-NYC-Washington)	+6.0%
Keystone (NYC-Phila-Harrisburg)	+7.7%
Empire (NYC-Albany)	+4.4%
<b>NJ Ferry Services</b>	+4.5%
Trans-Hudson Downtown	+8.6%
Trans-Hudson Midtown	+2.9%
Monmouth County	(- 1.4%)
<b>Port Authority NY &amp; NJ Airports – Air Travelers</b>	+3.9%
Newark EWR	+5.0%
Kennedy JFK	+3.3%
LaGuardia LGA	+3.5%
Vehicles#	1 <sup>st</sup> Quarter
MTA Bridges & Tunnels	+3.5%
Port Authority Bridges & Tunnels	+0.2%
George Washington Bridge	(- 1.8%)
Lincoln Tunnel	(- 0.9%)
Holland Tunnel	+1.8%
Bayonne Bridge	+20.0%
Goethals Bridge	+6.5%
Outerbridge Crossing	(- 3.0%)
<b>Vehicle Miles Traveled on NJ Roads &amp; Highways</b>	(- 0.8%)
Unleaded Gasoline Price per Gallon v Last Year	+23.9%
Unleaded Gasoline Price per Gallon v 2 Yrs Ago	+34.4%
Unleaded Gasoline Price per Gallon v 3 Yrs Ago	+5.0%
Unleaded Gasoline Price per Gallon v 4 Yrs Ago	(- 22.8%)
Unleaded Gasoline Price per Gallon v 5 Yrs Ago	(- 21.0%)

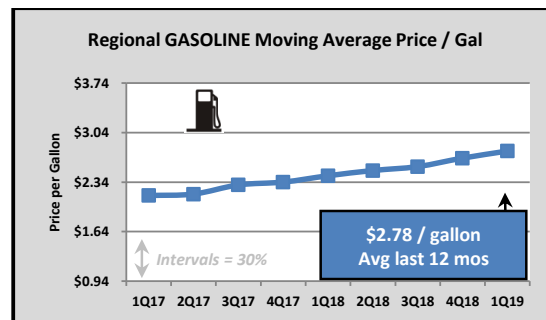
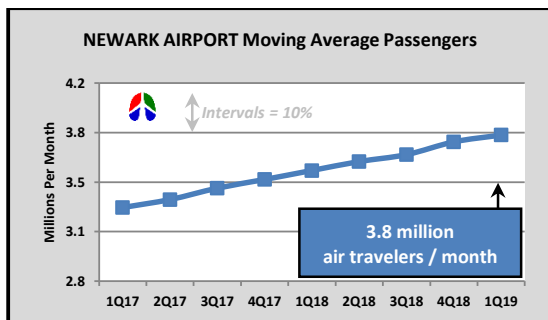
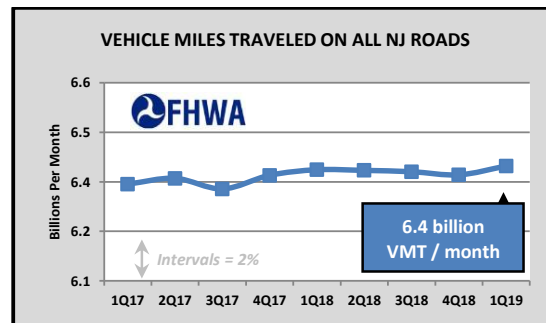
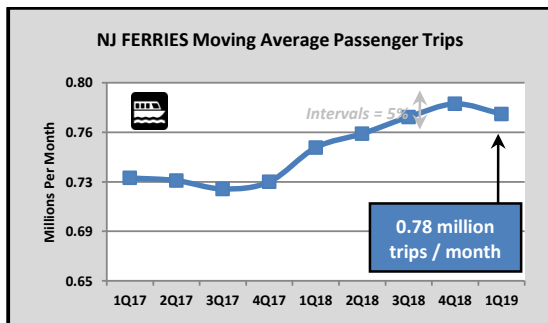
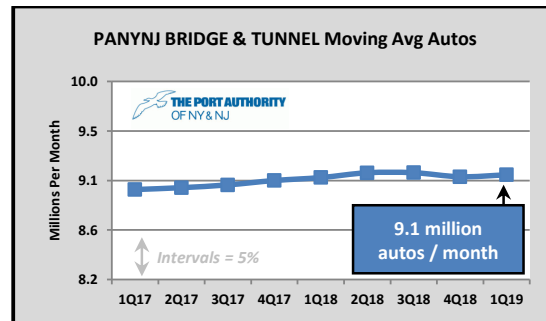
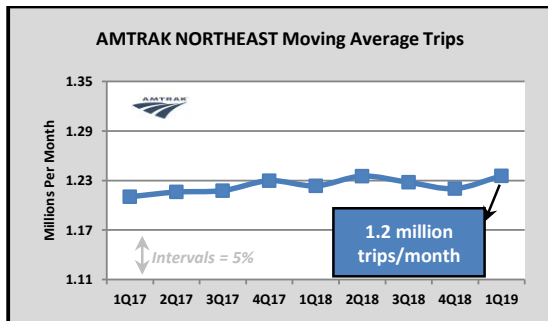
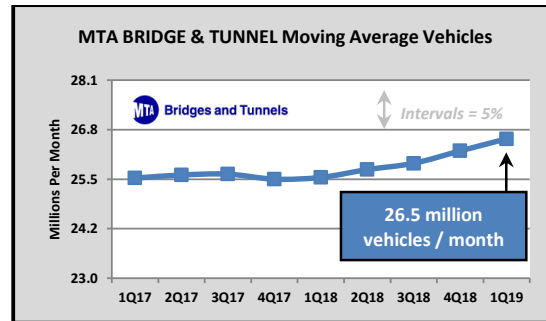
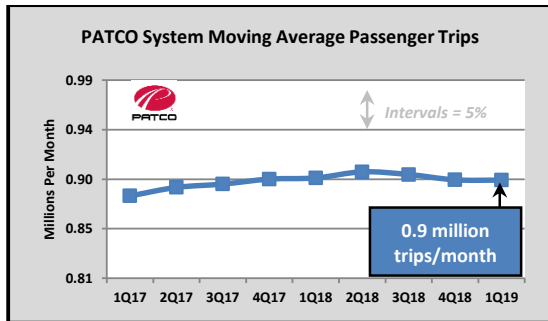
# Auto volume shown except for MTA Bridge & Tunnels and NJ Vehicle Miles Traveled, which are all vehicles.



NJ TRANSIT QUARTERLY RIDERSHIP TRENDS

IQ19

First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018



First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• THE REGIONAL ECONOMY

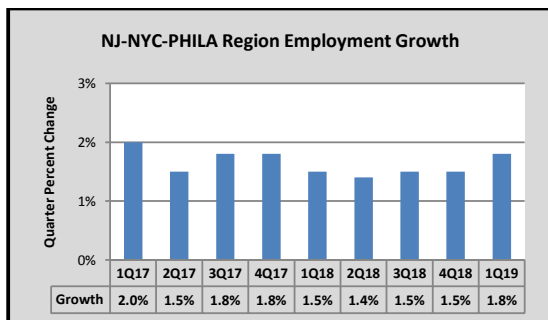
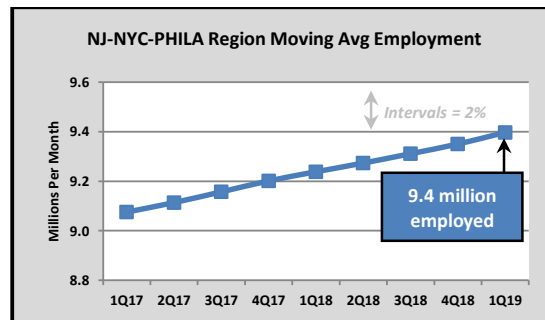
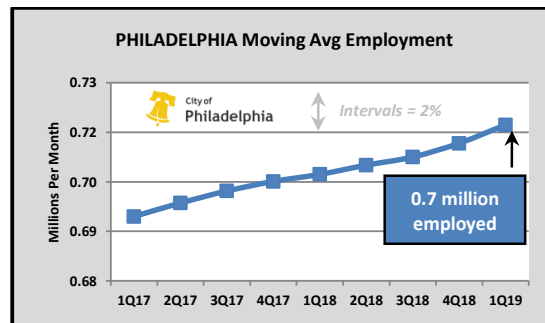
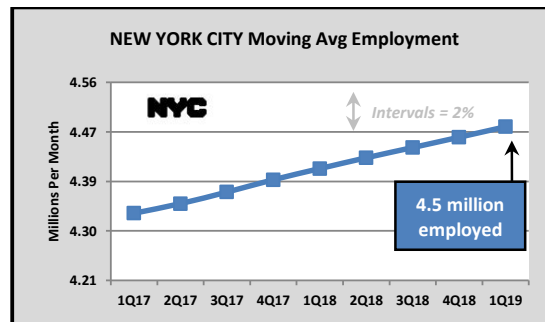
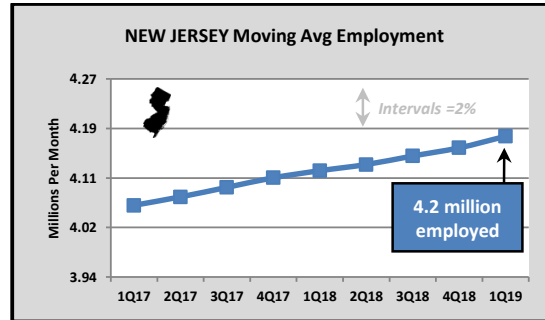
REGIONAL ECONOMIC TRENDS

Percent Change  
Fiscal Year 2019 vs. 2018

Employment	1 <sup>st</sup> Quarter
<b>New Jersey</b>	<b>+1.8%</b>
Newark-Union Metro	+0.6%
Edison-New Brunswick Metro	+1.5%
Bergen-Passaic-Hudson	+1.2%
Northern New Jersey*	+1.1%*
Camden Metro	+2.0%
Trenton-Ewing	+3.7%
Atlantic City-Hammonton	+6.8%
Vineland-Millville-Hammonton	+1.3%
Ocean City	-0.4%
Southern New Jersey*	+2.9%*
<b>New York City</b>	<b>+1.7%</b>
<b>Philadelphia</b>	<b>+3.0%</b>
<b>NJ-NYC-Phila Region</b>	<b>+1.8%</b>
<b>U.S. Total</b>	<b>+1.7%</b>

\* Due to U.S. Bureau of Labor Statistics estimating techniques, local New Jersey labor market totals and trends may not sum to the New Jersey statewide total.

Source: U.S. Bureau of Labor Statistics

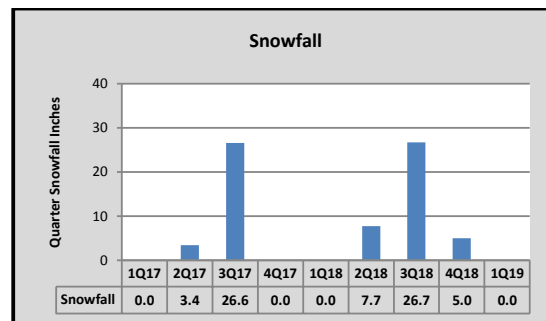
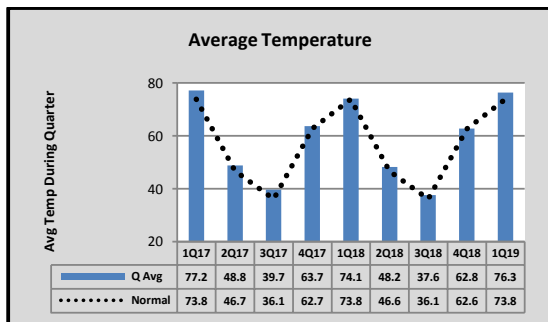
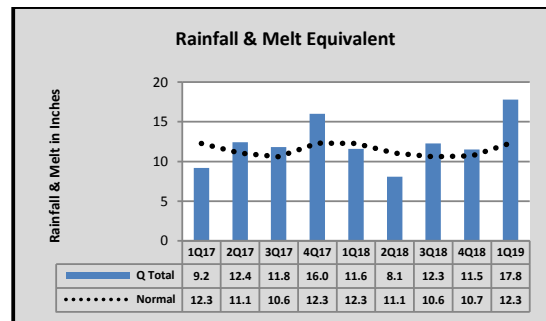
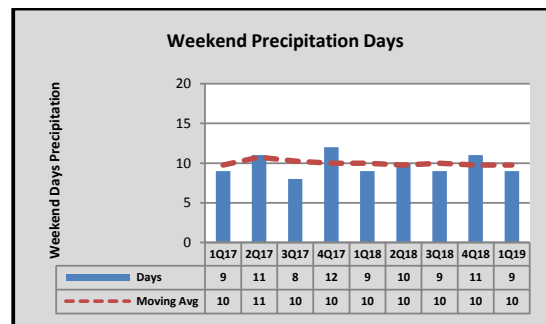
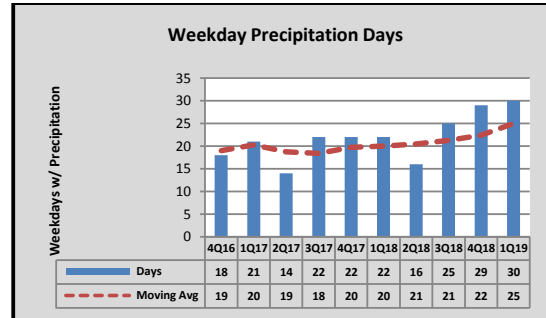


First Quarter, Fiscal Year 2019  
Covering the period July through September, 2018

• WEATHER CONDITIONS

CLIMATE ANALYSIS	
Fiscal Year 2019	
	1 <sup>st</sup> Quarter
Average Temperature	76.3 F
Vs. normal	+2.5 F
Vs. last year	+2.2 F
Precipitation – Weekdays	
This year	30 days
Last year	22 days
Precipitation – Weekends	
This year	9 days
Last year	9 days
Precipitation – Total	
This year	39 days
Last year	31 days
Rainfall & Equivalent	
This year	17.81 inches
Last year	11.57 inches
Normal	12.28 inches
Snowfall	
This year	0.0 inches
Last year	0.0 inches

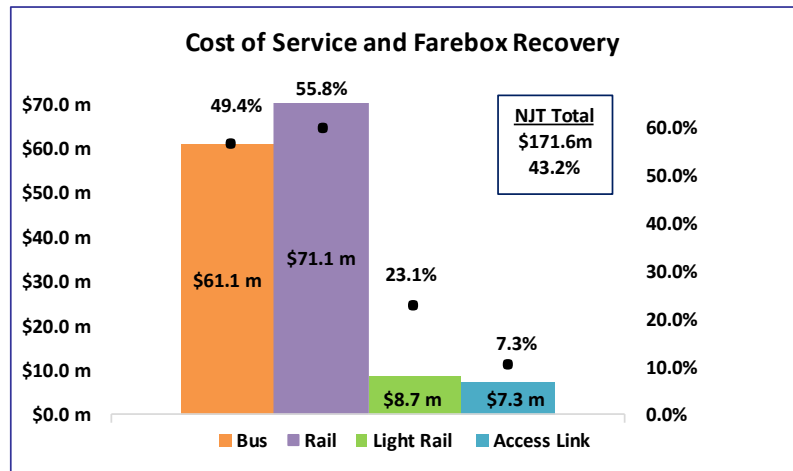
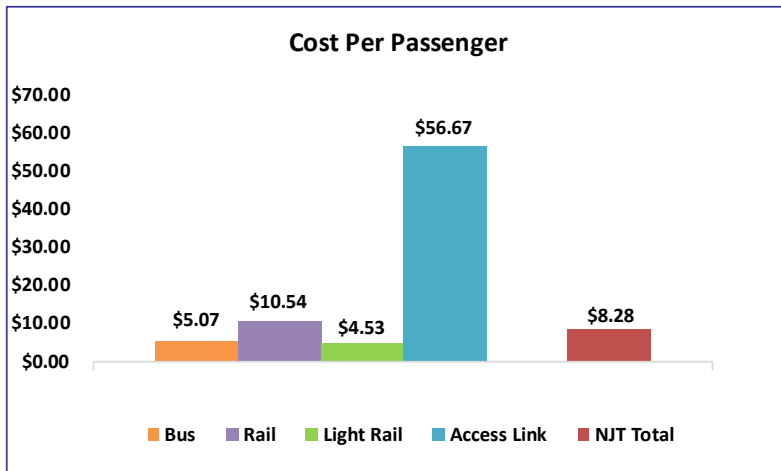
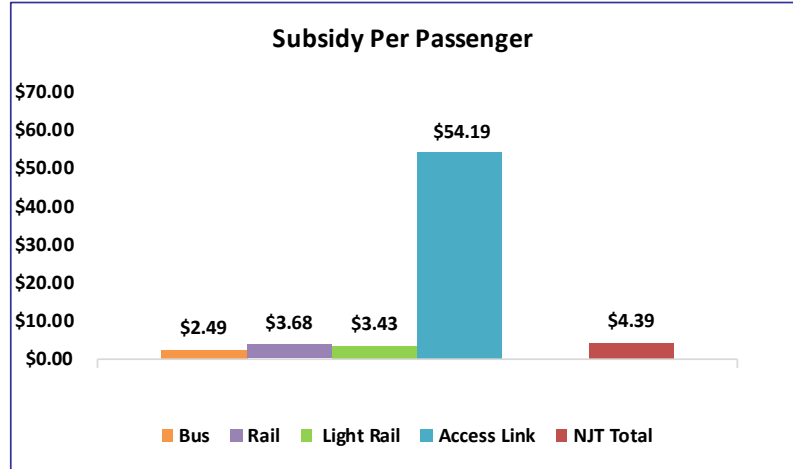
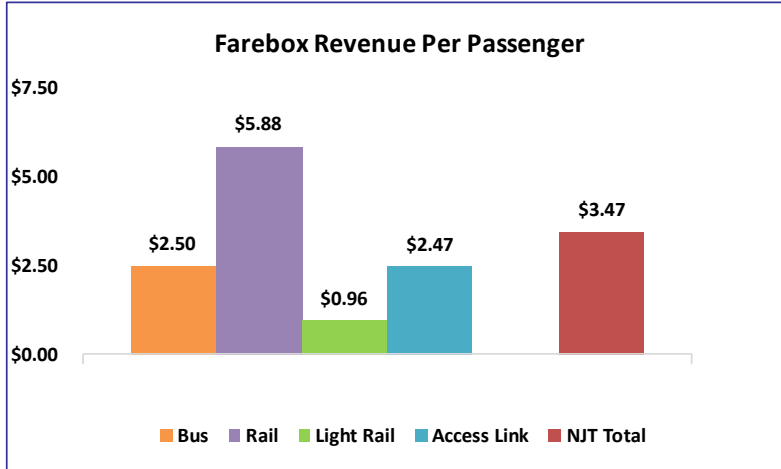
Source: National Weather Service, Newark Airport reporting station



~END.

**Appendix B**

### Cost of Service KPIs, January 2019



**Appendix C**

# Budgeting Process

Month	Process	NJT Budget Process	State Budget Process
August - September	Budget Planning	<p><u>NJT</u></p> <p>Develop Preliminary Economic Assumptions, Priorities &amp; Opportunities                      Planning Instructions &amp; Preliminary Budgets Sent to Departments                      Internal Planning Meetings within each Department                      Departments Submit Budget Requests</p>	<p><u>Governor / OMB</u></p> <p>Review of Governor's Program Priorities                      Economic Forecasts and Demand Assumptions                      Program Analysis and Preliminary Revenue Estimates                      Provide Preliminary Budget to Departments</p>
September - January	Planning Documents	<p><u>NJT / OMB</u></p> <p>Review of Submissions and Internal Meetings Held with Departments                      Formulate/Determine Preliminary Recommendations                      Recommendations Finalized by NJT Executive Management                      Submission of Overall NJT Budget Request to OMB</p>	<p><u>Departments / Agencies</u></p> <p>Ability to Provide Services within Budget                      Priorities for Reductions                      Prioritize List of Expansions for Current/New Programs                      Review Planning Document Submissions</p>
January - February	Finalize Recommendations	<p><u>NJT / Executive Branch</u></p> <p>NJT Meets with Executive Branch to Present/Discuss Budget Request</p>	<p><u>Governor / OMB</u></p> <p>Review/Analyze Agency Budget Requests                      Formulate and Review Budget Recommendations                      Governor's Final Decisions                      Governor's Budget Message to Legislature</p>
February - June	Prepare Appropriations Act	<p><u>NJT / Executive &amp; Legislative Branches</u></p> <p>Budget Recommendation Reviewed/Refined During Resolution Period                      Legislative Appropriation Committee Hearings</p>	<p><u>Legislature</u></p> <p>Review/Analyze Budget                      Review/Analyze/Revise Revenue Estimates                      Appropriations Act Enacted by Legislature</p>
June - July	Appropriations Act	<p><u>NJT / Board</u></p> <p>Budget Submission to Board for Approval                      Board Adoption of Budget                      Implementation of the Fiscal Year Budget</p>	<p><u>Governor/OMB</u></p> <p>Review/Analyze Impact of Legislative Changes                      Governor Veto Period and Revenue Certification                      Governor signs Final Appropriations Act into Law</p>



## Appendix D

## NJ Transit Corporation Revenue and Expense Trends (\$ in millions)

	Rail		Bus		Light Rail		Admin/All Other		Funding Need		Total	
	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.
FY10 - Actual	517.4	717.1	323.6	587.1	93.6	250.6	898.1	254.2	-	-	1,832.7	1,809.0
FY11 - Actual	590.1	729.6	364.9	623.6	106.1	258.0	796.5	224.4	-	-	1,857.6	1,835.6
FY12 - Actual	604.9	739.9	376.4	644.1	98.7	262.5	809.5	236.2	-	-	1,889.5	1,882.7
FY13 - Actual	622.7	778.5	373.8	657.2	113.7	289.1	917.4	304.2	-	-	2,027.6	2,029.0
FY14 - Actual	663.3	804.5	374.1	670.8	164.6	349.3	885.2	281.1	-	-	2,087.2	2,105.7
FY15 - Actual	666.3	797.4	374.6	672.0	39.5	223.4	995.0	382.1	-	-	2,075.4	2,074.9
FY16 - Actual	711.6	857.5	393.2	744.7	39.2	226.0	1,088.8	427.1	-	-	2,232.8	2,255.3
FY17 - Actual	696.4	828.9	395.6	680.7	47.7	244.5	987.8	378.8	-	-	2,127.5	2,132.9
FY18 - Actual	675.0	873.7	393.6	703.8	48.0	265.8	1,137.5	389.7	-	-	2,254.1	2,233.0
FY19 - Est.	687.1	893.0	393.9	736.3	36.0	265.1	1,187.5	408.9	-	-	2,304.5	2,303.3
FY20 - GBM	696.1	897.9	383.9	744.3	37.0	270.8	1,224.0	428.0	-	-	2,341.0	2,341.0
FY21 - Prelim	697.8	968.0	384.9	802.1	37.1	291.6	1,214.2	410.5	138.2	-	2,472.2	2,472.2
FY22 - Prelim	699.2	1,001.9	385.6	830.2	37.2	301.8	1,216.6	424.9	220.1	-	2,558.7	2,558.7
FY23 - Prelim	700.6	1,036.9	386.4	859.2	37.2	312.4	1,219.1	439.8	304.9	-	2,648.3	2,648.3
FY24 - Prelim	702.0	1,073.2	387.2	889.3	37.3	323.3	1,221.5	455.2	392.9	-	2,741.0	2,741.0

\* Assumes that the State's General Fund subsidy remains flat at \$407.5m from the Governor's Proposed Budget beyond FY20.

\*\* Expenses beyond FY21 are currently projected to grow at 3.5%.

## NJ Transit Capital Program Overview

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
ADA-- Platforms/Stations - T143	Funding is provided for the design and construction of necessary repairs to make NJ TRANSIT's rail stations, and subway stations more accessible for the Americans with Disabilities Act (ADA) including related track and infrastructure work. Funding is requested for repairs, upgrades, equipment purchase, platform extensions, and transit enhancements throughout the system and other accessibility repairs/improvements at stations.	\$57.02	\$0.50	\$0.50	\$8.00	\$45.73	Ongoing	Ongoing
Bridge and Tunnel Rehabilitation - T05	This program provides funds for the design, repair, rehabilitation, replacement, painting, inspection of tunnels/bridges, and other work such as movable bridge program, drawbridge power program, and culvert/bridge/tunnel right of way improvements necessary to maintain a state of good repair.	\$262.63	\$57.94	\$81.06	\$216.91	\$185.97	Ongoing	Ongoing
Building Capital Leases - T32	Funding is provided for capital improvements and lease payment obligations at NJ TRANSIT operating and office installations. This project is funded under the provisions of Section 13 of P.L. 1995, c.108.	\$48.69			\$0.00	\$47.37	Ongoing	Ongoing
Bus Acquisition Program - T111	This program provides funds for replacement of transit, commuter, access link, and suburban buses for NJ TRANSIT as they reach the end of their useful life as well as the purchase of additional buses to meet service demands. Federal lease payments are provided for 1371 Cruiser buses. Pay-as-you-go funding is provided for over 2300 buses replacements over the next 10-years including but not limited to cruiser buses, NABI buses, and articulated buses.  Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$964.02	\$140.43	\$131.72	\$1,495.14	\$837.69	Ongoing	Ongoing
Bus Maintenance Facilities - T93	This program provides funds for bus maintenance facilities systemwide.  This project is funded under the provisions of Section 13 of P.L. 1995, c.108.	\$23.63			\$0.00	\$7.63	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Bus Passenger Facilities/Park and Ride - T06	This program provides funds for the bus park and ride program, improvements to bus passenger facilities and the purchase and installation of bus stop signs and shelters systemwide. This program also involves the construction of an improved vehicular ground transportation facility at Frank R. Lautenberg (FRL) Station in Secaucus, NJ. Pedestrian connections to the rail terminal and signage improvements within and outside of the station are also included as part of this project including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$11.30	\$0.80	\$0.80	\$6.40	\$7.90	Ongoing	Ongoing
Bus Support Facilities and Equipment - T08	This program provides funds to maintain NJ TRANSIT's bus fleet including but not limited to, bus tires, engines and transmissions and other parts, support vehicles\equipment (for bus operations), maintenance equipment, and bus mid-life overhaul needs. Also included is midlife rehabilitation of bus facilities, other capital improvements to various support facilities and bus mid-life overhauls including but not limited to acquisition of properties and any items or services needed to support the acquisition.  This program also involves the replacement of two CNG Compressor filling stations at Howell Garage.	\$86.22	\$17.47	\$20.63	\$232.84	\$31.77	Ongoing	Ongoing
Bus Vehicle and Facility Maintenance/Capital Maintenance - T09	Funding is provided for acquisition/installation/rehabilitation of major components associated with capital equipment and facilities in accordance with Transportation Trust Fund requirements and expanded eligibility criteria.	\$190.47	\$0.00	\$0.00	\$0.00	\$190.47	Ongoing	Ongoing
Camden-Glassboro Light Rail Line - T302	Funding is for the design, engineering, construction and other necessary initiatives or items to complete the proposed Glassboro-Camden Light Rail Line (GCL) would provide light rail passenger service to communities in Camden and Gloucester Counties along an existing freight rail line using diesel light rail vehicles. The proposed 18-mile alignment connects Glassboro and Camden along an active Conrail freight right-of-way.	\$3.00	\$2.00		\$0.00	\$0.00	Environmental	Dec 2019

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Capital Ferry Improvement Program - T700	Program involves the Ferry Capital Improvement Program (FCIP), which will provide needed capital equipment enabling the participating operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements as well as NJ TRANSIT's administrative cost incurred for the FCIP program. This program includes federal dollars allocated from the Passenger Ferry Grant Program (Ferry Program), as authorized, under 49 U.S.C 5307 (Section 5307). Funding will be used to improve the state of good repair of the ferry fleet by retrofitting the power and propulsion systems of commuter ferry vessels to provide more efficient operation. This project will allow for improved ferry service for approximately 30,000 daily passengers travelling between the New York-New Jersey metropolitan regions. This program benefits the riding public by sustaining the availability of affordable mass transit service including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$9.35	\$6.50	\$6.50	\$52.00	\$0.00	Ongoing	Ongoing
Capital Program Implementation - T68	Funding is provided for capital project management activities associated with capital program/project delivery including procurement and DBE/SBE activities.	\$233.24	\$21.47	\$21.47	\$171.76	\$214.05	Ongoing	Ongoing
Casino Revenue Fund - T515	State law provides 8.5% of the Casino Tax Fund to be appropriated for transportation services for senior and disabled persons. This element also supports capital improvements that benefit the senior and disabled populations. The law provides 85% of these funds to be made available to the counties through NJ TRANSIT for capital, operating, and administrative expenses for the provision of locally coordinated para-transit services. The amount each county receives is determined by utilizing an allocation formula based on the number of residents 60 years of age and over as reflected in the most recent U.S. Census Report.	\$253.44	\$18.59	\$18.59	\$148.69	\$220.34	Ongoing	Ongoing
Claims Support - T13	Funding is provided for claims related to capital projects, expert witnesses, court settlement, and other costs to defend NJ TRANSIT's interests as a result of litigation.	\$7.83	\$0.00	\$0.00	\$0.00	\$5.58	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Cumberland County Bus Program - T170	This program provides funds for capital and operating assistance for Cumberland County UZA, including purchase of buses, minivans, support equipment, facility improvements and capital maintenance costs.  Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$0.00	\$1.02	\$1.02	\$8.16	\$0.00	Ongoing	Ongoing
Environmental Compliance - T16	Funding is provided for compliance with environmental regulations at both bus and rail facilities includes but is not limited to replacement of leaking fuel tanks, clean up of contaminated soil and ground water, oil/water separators, asbestos removal, and fueling station improvements at various facilities.	\$40.42	\$3.00	\$3.00	\$24.00	\$34.41	Ongoing	Ongoing
High Speed Track Program - T43	Funding is provided for an annual program of high speed track rehabilitation including high speed surfacing, systemwide replacement of life-expired ties and other rail improvements, right-of-way fencing, equipment necessary to maintain a state of good and safe repair, purchase of long lead-time materials for next construction season, maintenance-of-way work equipment, interlocking improvements, passing sidings, other improvements, materials and services as necessary to support the program. Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the introduction section of the STIP.	\$2.00	\$1.00	\$1.00	\$19.20	\$2.00	Ongoing	Ongoing
Hoboken Ferry Service Improvements - T702	Funding will support the acquisition, relocation, improvements and any other scope or item associated with the relocation and or purchase of support facilities such as and not limited to maintenance yards, crew quarters and administrative buildings etc.	\$12.00			\$0.00	\$0.27	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Hudson-Bergen and Newark LRT System - T87	Funding is provided for annual Hudson-Bergen Capital Asset Replacement improvements, and other improvements along the Hudson-Bergen Light Rail Line, including rolling stock enhancements. Funding is provided for the Route 440 Extension Project is planned to provide convenient transit access for existing and future residents of the western waterfront area. The HBLR Route 440 Extension project would extend the HBLR West Side Avenue Branch from its current terminus at West Side Avenue in Jersey city to a new terminus station on the west side of State Route 440.	\$61.59	\$1.27	\$7.01	\$56.04	\$48.96	Ongoing	Ongoing
Hudson-Bergen LTR Northern Extension - T301	Funding is for the design, engineering, construction to reintroduce rail service between Englewood in Bergen County and North Bergen in Hudson County to improve regional mobility, mitigate traffic congestion, and foster economic investment. The reintroduction of rail transit service in eastern Bergen County will mark a significant step forward for congestion relief on local and county roads burdened by daily commuter traffic. Eastern Bergen County residents are significantly oriented to jobs in New York City and the Hudson County waterfront and Northern Branch service will provide a mass transit alternative. The 10-mile corridor extends from North Bergen to Englewood using the existing CSX Northern Branch freight corridor. The project will connect to the HBLR system, which terminates at Tonnelle Avenue in North Bergen.	\$62.00	\$33.00		\$0.00	\$0.00	Environmental	Oct 2019
Immediate Action Program - T20	Funding is provided for emergency project needs under the rail, bus, and headquarters programs; contract change orders; consultant agreement modifications; and other unanticipated work identified during the course of the year, thus allowing the agency to be responsive to emergency and unforeseen circumstances which arise unexpectedly.	\$331.31	\$15.21	\$8.56	\$133.70	\$252.66	Ongoing	Ongoing
Job Access and Reverse Commute Program - T199	Funding is provided to continue the Job Access and Reverse Commute (JARC) program with non-federal funds. Moving Ahead for Progress in the 21st Century (MAP-21) eliminated the requirement for dedicated Federal funding for JARC.	\$9.00	\$5.30	\$5.30	\$42.40	\$8.93	Ongoing	Ongoing

## Appendix E

Appropriation Line	Narrative Summary	Appropriation To	Proposed	Proposed	Proposed	Amount	Project Status	Project Status
		Date Or, If Ongoing Programs (Last 10 Years)	Appropriation (FY20)	Appropriation (FY21)	Appropriation (FY22 - FY29)	Expended Or, If Ongoing Programs		
Light Rail Infrastructure Improvements - T95	Funding is provided for Light Rail improvements including, but not limited to, communication systems upgrade, accessibility improvements, vehicle and facility improvements, and other infrastructure rehabilitation improvements, including rolling stock enhancements. Funding is also provided for NLR Infrastructure and River Line capital asset replacement including but not limited to acquisition of properties and any items or services needed to support the acquisition.  Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$72.57	\$9.68	\$4.28	\$127.53	\$58.55	Ongoing	Ongoing
Light Rail Vehicle Rolling Stock - T550	Funding is provided for annual lease payments for Hudson Bergen Light Rail, Newark City Subway and Newark City Subway Extension vehicles.  Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$96.51			\$0.00	\$96.51	Ongoing	Ongoing
Locomotive Overhaul - T53E	Funding is provided for the cyclic overhaul of locomotives based on manufacturer replacement standards to support the equipment through its useful life.	\$129.42	\$7.60	\$5.06	\$40.48	\$101.90	Ongoing	Ongoing
Miscellaneous - T122	Funding is provided for the continuation of the mandated vital records program and other miscellaneous administrative expenses such as, but not limited to, match funds for special services grants and physical plant improvements incurred throughout the year. Funds support forensic accounting services in furtherance of the property insurance claim resulting from the damage caused by extreme weather events such as Superstorm Sandy. Funds also support project oversight/management for all day-to-day aspects of NJ TRANSIT projects.	\$25.12	\$4.50	\$3.10	\$4.00	\$6.15	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
NEC Improvements - T44	Funding is provided for improvements to the Northeast Corridor (NEC) to maintain state of good repair, increase capacity, and improve efficiency. Funding is provided for AMTRAK joint benefit projects and for NJ TRANSIT projects such as, Midline Loop in North Brunswick, New Jersey including associated track and station improvements; platform extensions; improvements at New York Penn Station; and yard improvements including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$460.01	\$160.04	\$81.89	\$1,091.55	\$403.86	Ongoing	Ongoing
Other Rail Station/Terminal Improvements - T55	Funding is provided for the design, land acquisition and construction of various stations, platform extensions, parking and related facilities, and upgrades throughout the system including related track and rail infrastructure work. Also included are station and facility inspection and repair, customer service station bike locker installation - systemwide, and STARS Program including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$114.28	\$8.81	\$14.92	\$70.48	\$96.59	Ongoing	Ongoing
Physical Plant - T121	Funding is provided for demolition of out-of-service facilities, energy conservation program, work environment improvements, replacement of antiquated administrative support equipment, purchase of material warehouse equipment, replacement of non-revenue vehicles, and other minor improvements to various bus/rail/light rail/operating facilities etc including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$21.16	\$1.67	\$1.67	\$13.36	\$13.17	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Portal Bridge North - T538	<p>Funding is for the design, engineering, construction and other necessary initiatives or items to complete the proposed replacement of the existing Portal Issued Bridge with a new high-level, two track, fixed structure bridge on a new rail alignment. The new bridge will be approximately 1,200 feet long and will have a clearance that accommodates current and forecasted maritime traffic, thereby eliminating the need for a movable span that interrupts rail operations and results in delays due to mechanical failures. This will improve reliability, allowing NJ TRANSIT to operate longer and higher capacity trains. Additionally, trains will be able to cross the bridge at 90 miles per hour, up from 60 miles per hour today.</p> <p>This element provides funding to advance the Portal Bridge North including, but not limited to, annual EDA or other debt service payments that may be required.</p>	\$34.93	\$26.49	\$14.00	\$161.95	\$0.27	Ongoing	Ongoing
Preventive Maintenance-Bus - T135	This program provides funding for the overhaul of buses including preventive maintenance costs in accordance with federal guidelines as defined in the National Transit Database Reporting Manual and federal law. Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP. In addition, expenditures are for costs of projects in specific years only.	\$0.00	\$112.69	\$112.69	\$1,088.37	\$0.00	Ongoing	Ongoing
Preventive Maintenance-Rail - T39	This program provides funding for the overhaul of rail cars and locomotives and other preventive maintenance costs in accordance with federal funding guidelines as defined in the National Transit Database Reporting Manual and federal law. Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$0.00	\$245.33	\$245.37	\$1,858.57	\$0.00	Ongoing	Ongoing
Private Carrier Equipment Program - T106	This program provides State funds for the Private Carrier Capital Improvement Program.	\$33.10	\$4.00	\$4.00	\$24.00	\$30.80	Ongoing	Ongoing
Rail Capital Maintenance - T34	The Rail Capital Maintenance project includes Rail Maintenance of Way (MOW) activities and Rail Maintenance of Equipment (MOE) activities in accordance with TTF eligibility requirements.	\$431.12	\$98.80	\$98.80	\$790.40	\$384.31	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Rail Fleet Overhaul - T53G	This program provides funds for the mid-life overhaul and reliability/safety improvements of rail cars based on manufacturer recommendations and other rolling stock modifications to meet recently issued FRA and APTA mandated standards.	\$126.81	\$9.63		\$0.00	\$103.80	Ongoing	Ongoing
Rail Park and Ride - T117	This program provides funding for land acquisition, design and construction of parking improvement projects at various locations. This project is funded under the provisions of Section 13 of P.L. 1995, c.108.	\$0.45			\$0.00	\$0.28	Ongoing	Ongoing
Rail Rolling Stock Procurement - T112	<p>This program provide funds for the replacement of rail rolling stock, including engineering assistance and project management, to replace over-aged equipment including rail cars, revenue service locomotives, and expansion of NJ TRANSIT rolling stock fleet (cars and locomotives) to accommodate projected ridership growth and other system enhancements over the next ten years. Funding is provided to support vehicles\equipment (for rail operations). Annual funds are provided for Comet V single-level car lease payments, Electric Locomotive lease payments, Diesel Locomotive lease payments, Dual Power Locomotives and Multi-Level rail car lease payments and other upcoming rolling stock lease payments. Pay-as-you-go funding is also programmed for Multi-Level vehicles and other rolling stock.</p> <p>Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.</p> <p>CMAQ: Funding for Rail Rolling Stock Procurement will include CMAQ funds. Rail Rolling Stock Procurement is CMAQ eligible because it meets federal eligibility requirements. The project will provide funding for the purchase of Multi-Level Coaches and Multi-Level EMU vehicles. For the CMAQ justification see "CMAQ Report for NJ TRANSIT".</p>	\$332.25	\$216.05	\$261.99	\$2,547.55	\$235.78	Ongoing	Ongoing

## Appendix E

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Rail Support Facilities and Equipment - T37	This program provides funds for rehabilitation and construction activities for yard improvements systemwide, improvements at support facilities necessary to perform maintenance work at rail yards including work at Port Morris Yard, rail capacity improvements including passing sidings, interlockings and electric traction improvements, signal and communication improvements at support facilities, right-of-way fencing, maintenance-of-way equipment and the installation of pedestal tracks necessary to perform maintenance work at rail yards. Funding is provided for systemwide crew quarters, the Meadows Maintenance Complex upgrade/expansion work required to support the new rail fleet. Also included is funding for NJ TRANSIT's capital cost-sharing obligations related to use of Amtrak/Conrail facilities including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$169.32	\$25.51	\$93.43	\$89.09	\$100.14	Ongoing	Ongoing
River Line LRT - T107	This element provides funding for the River LINE LRT project from Camden to Trenton for annual EDA debt service payments required until FY19. Project cost of the River LINE is \$1.0 billion. This project is funded under the provisions of Section 13 of P.L. 1995, c.108.	\$470.06			\$0.00	\$429.67	Ongoing	Ongoing
Safety Improvement - T509	This program provides funding for safety improvement initiatives systemwide addressing bus, rail, light rail, Access Link and other identified safety needs. Funding includes investment in equipment, passenger and maintenance facilities, right of way improvements, and other initiatives that improve the safe provision of transportation services. Funding will support planning, engineering, design, construction, acquisitions and other associated costs.	\$9.50	\$1.00	\$1.00	\$8.00	\$0.26	Ongoing	Ongoing
Section 5310 Program - T150	This program provides funds for the purchase of small buses or van-type vehicles for agencies that serve the elderly and persons with disabilities. This was formerly known as the Section 16 Program. MATCH funds are provided from the State.	\$11.78	\$8.80	\$8.80	\$70.40	\$2.59	Ongoing	Ongoing
Section 5311 Program - T151	This program provides funding for rural public transportation program. MATCH funds are provided from NJ TRANSIT and local funds.	\$0.30	\$6.30	\$6.30	\$50.40	\$0.00	Ongoing	Ongoing

## Appendix E

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Security Improvements - T508	This program provides funds for continued modernization/improvements of NJ TRANSIT Police and other security improvements. Today, the NJ TRANSIT Police Department is the only transit policing agency in the country with statewide authority and jurisdiction. The Department was created on January 1, 1983, and it evolved as a result of the passage of the Public Transportation Act of 1979 and subsequent legislation on the state and federal levels.	\$26.22	\$2.61	\$2.61	\$20.88	\$19.43	Ongoing	Ongoing
Signals and Communications/Ele ctric Traction Systems - T50	This project provides funding for continued modernization/improvements to the signal and communications systems, including signal/communication upgrade of interlockings, and other communication improvements. This project also provides funding for systemwide electric traction general upgrades including: substation replacement, wayside hot box detection system, rail microwave system upgrades, replacement of substation batteries and electric switch heaters, emergency power backup systemwide, rehabilitation of systemwide overhead catenary structures and foundations including but not limited to acquisition of properties and any items or services needed to support the acquisition.	\$547.90	\$67.22	\$69.25	\$88.00	\$368.99	Ongoing	Ongoing
Small/Special Services Program - T120	Funding is provided for NJ TRANSIT efforts which initiate or promote transit solutions to reduce congestion, manage transportation demand and improve air quality. Included are State funds for the Vanpool Sponsorship Program, Transportation Management Association Program, and Federal funds for East Windsor Community Shuttle operating support. Funding is also provided for capital acquisition/operating expenses for the Community Shuttle Program, Bike/Transit facilitation, and other activities that improve air quality and help reduce congestion.  Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the Introduction Section of the STIP.	\$16.14	\$1.47	\$1.47	\$11.78	\$12.83	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
Study and Development - T88	This element provides funds for system and infrastructure planning studies to ready projects for design, as well as demand forecasting and other related planning work.	\$69.33	\$5.41	\$5.41	\$43.27	\$55.23	Ongoing	Ongoing
Technology Improvements - T500	This element funds improvements to passenger communication and fare collection systems and other information technology improvements to meet internal and external customer needs. Funding is included for Public Address Upgrades/Onboard Communication Systems, Bus Radio System Upgrade Program, GIS Systems, TVM Replacement/Expansion, Smart Card Technology and improvements at stations systemwide, computer systems and services, photocopy lease payments, ADA Access Link computer upgrades and upgrades to increase efficiency and productivity of NJ TRANSIT's technology infrastructure to support services to customers.	\$404.29	\$23.55	\$12.55	\$102.40	\$221.92	Ongoing	Ongoing
Track Program - T42	Funding is provided for an annual program of track rehabilitation including systemwide replacement of life-expired ties and other rail improvements, right-of-way fencing, equipment necessary to maintain a state of good and safe repair, purchase of long lead-time materials for next construction season, maintenance-of-way work equipment, interlocking improvements, passing sidings and other improvements. Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the introduction section of the STIP.	\$181.50	\$18.00	\$18.00	\$144.00	\$172.00	Ongoing	Ongoing
Transit Enhancements - T210	Funding is provided for projects or project elements that are designed to enhance mass transportation service or use and are physically or functionally related to transit facilities as outlined in FTA Circular 9030.1C., including funding for a Statewide Bus Signs and Shelter Maintenance Upgrade Program and historic restoration of NJ TRANSIT facilities. Toll Credit will be used as the non-federal match. An explanation of toll credit can be found in the introduction section of the STIP.	\$3.25			\$0.00	\$1.59	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status	Project Status
Transit Rail Initiatives - T300	<p>This program provides funding for transit expansion projects, including River Line Glassboro-Camden Light Rail Improvements, new station construction, ferry program, fixed guideway improvements (Rail, Light Rail, BRT, and Ferry), and related vehicle and equipment acquisition. Also included are FTA new starts projects authorized under New Jersey Urban Core or SAFETEA-LU. Potential projects in this category include (in no rank order): Northern Branch Rail; HBLR Extension to Secaucus; HBLR Secaucus-Meadowlands Connector; Passaic-Bergen rail service on the NYS&amp;W east of Hawthorne using Diesel Multiple Unit (DMU) passenger equipment; Restoration of commuter rail service on the NYS&amp;W west of Hawthorne; Port Morris Improvements; West Shore--Hoboken to West Haverstraw; NERL Elizabeth Segment from NJ TRANSIT'S Northeast Corridor Midtown Elizabeth Station to Newark Liberty International Airport via the Elizabeth Waterfront; Restoration of commuter rail service on the West Trenton line; River LINE LRT Capitol Extension; Second Phase of River LINE LRT/PATCO Extension; Glassboro-Camden Light Rail; Route 1 BRT, Second Phase of NERL (Newark Penn Station to Newark Liberty International Airport); Commuter rail extension in Monmouth and Ocean Counties; Lehigh Third Track Capacity Improvements; Extension of Cape May Seashore Line north to Hammonton (to Atlantic City Rail Line); Commuter Rail extension to Phillipsburg, improvements on the Atlantic City Rail Line, new rail station improvements such as Atlantic City Line/River LINE connection, Moynihan Station, Penn Station New York access improvements and platform extensions, Penn Station New York Central Concourse, Penn Station New York West End Concourse, E-yard expansion, Bus Rapid Transit Initiatives, Park and Rides and Smart Card Technology Program along with other new systemwide, rail, bus, and light rail initiatives arising during the year.</p> <p>The narrative above governs how the state Transportation Trust Funds that are appropriated in the state budget to "Transit Rail Initiatives" can be used. The Transit Rail Initiatives project is a state funded effort</p>	\$288.11	\$3.25	\$16.25	\$77.47	\$282.98	Ongoing	Ongoing	Ongoing

Appropriation Line	Narrative Summary	Appropriation To Date Or, If Ongoing Programs (Last 10 Years)	Proposed Appropriation (FY20)	Proposed Appropriation (FY21)	Proposed Appropriation (FY22 - FY29)	Amount Expended Or, If Ongoing Programs	Project Status	Project Status Expected Completion
	<p>that is displayed here only for information purposes in order to give a better understanding of total transportation funding. As shown below, there is no Federal funding allocated to the Transit Rail Initiatives project in the first four constrained years. In compliance with the state budget and the language above, state Transit Rail Initiatives funds will be used to advance the projects listed above, some of which are also authorized under Federal law, but not yet funded with Federal dollars.</p> <p>Funding is also provided to advance projects dependent on other non-federal (including private) funding, and/or state resources available beyond planned levels including but not limited to acquisition of properties and any items or services needed to support the acquisition.</p>							
Walter Rand Transportation Center - T303	<p>The Water Rand Transportation Center (WRTC) is the regional transit hub for southern New Jersey, located across from Cooper University Hospital and Cooper Medical School of Rowan University, in the center of the Business District. WRTC services the Port Authority Transit Corporation (PATCO) high speed line, NJ Transit RiverLINE and proposed Glassboro-Camden Line (GCL), as well as serving as the hub for 26 regional NJ Transit bus lines that connect to Philadelphia, New Jersey and New York. Proposed changes include significant improvements to the building façade, renovations to the interior waiting area (including retail amenities) and new way finding signage. In addition, bus, taxi and train access may be consolidated and made more efficient. Critical to the concept development phase of this project is a focus on improved pedestrian and vehicular traffic flow, which will be accomplished by consolidating all of the existing bus lines inside an expanded and redesigned bus terminal. The redesign of the WRTC will provide better connections for parking, buses, taxis, public transit and retail space making it easier for pedestrians to navigate the transit center and the surrounding area.</p>	\$2.00			\$0.00	\$0.00	Engineering/ Design	Jan 2020

Appendix E

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Wood Ridge Maintenance of Way Facility Relocated Projects - T38	Funding will support the acquisition, relocation, improvements and any other scope or item associated with the relocation of the Wood Ridge Maintenance Of Way facility.  This project is funded under the provisions of Section 13 of P.L. 1995, c.108.	\$10.00			\$0.00	\$0.00	Ongoing	Ongoing
<b>Total No. of Appropriation Line Item: 51</b>		<b>\$6,756.60</b>	<b>\$1,393.91</b>	<b>\$1,389.98</b>	<b>\$11,139.18</b>	<b>\$5,341.33</b>		

**ITEM 1903-10: ANNUAL INDEPENDENT AUDIT SERVICES FOR FISCAL YEARS 2019, 2020, 2021, 2022, AND 2023**

**WHEREAS**, NJ TRANSIT is required to have an audit of its books and accounts to be made at least once each year by independent certified public accountants, pursuant to Section 20(d) of the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150; and

**WHEREAS**, as set forth by the Office of Management and Budget Circular A-133 and the Federal National Transit Database (Section 15) reporting forms, NJ TRANSIT is required to provide an independent attestation and compliance report related to Federal funds received (Single Audit) and the statistics provided upon which NJ TRANSIT's grant funding formula is determined; and

**WHEREAS**, audits of NJ TRANSIT's Defined Benefit Pension Plans and Defined Contribution Retirement Plans are required by the plan documents; and

**WHEREAS**, NJ TRANSIT's contract with its current independent certified public accounting firm, Ernst & Young, expires on March 31, 2019; and

**WHEREAS**, On July 6, 2018, NJ TRANSIT advertised a Request for Proposal (RFP) in *The Star-Ledger* and *The Times of Trenton* for services to conduct the necessary examinations of NJ TRANSIT's financial records and pension plans for Fiscal Years 2019, 2020 and 2021, with NJ TRANSIT having the option to extend the contract for two additional one-year periods, Fiscal Years 2022 and 2023. NJ TRANSIT also has the sole discretion to retain the independent certified public accounting firm to provide the optional services of three (3) quarterly reviews of NJ TRANSIT's results of operations. The reports would be for the quarters ending September 30, 2023, December 31, 2023, and March 31, 2024; and

**WHEREAS**, NJ TRANSIT's Office of Business Development assigned a twenty percent (20%) Small Business Enterprise goal on the gross amount of the successful firm's proposal or contract for the base services; and

**WHEREAS**, NJ TRANSIT's selection of an independent certified public accounting firm was conducted in accordance with Executive Order #122 (McGreevey 2004) (E.O. 122). Consistent with E.O. 122, the Technical Evaluation Committee (TEC) was composed of three (3) members of NJ TRANSIT's Board of Directors, two of whom are members of the Audit Committee; and

**WHEREAS**, On December 27, 2018, NJ TRANSIT received proposals from four (4) certified public accounting firms. On February 8, 2019, the TEC conducted oral interviews with all four (4) firms; and

**WHEREAS**, the result of the competitive procurement process was that Deloitte & Touche LLP of Parsippany, New Jersey (Deloitte), which the TEC found to be the highest technically ranked firm, was selected to provide the independent auditing services as set forth in the RFP. This selection will allow NJ TRANSIT to remain in compliance with its statutory, legal, and regulatory requirements, and pension plan documents;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is authorized to enter into NJ TRANSIT Contract No. 18-008 with Deloitte & Touche LLP of Parsippany, New Jersey, to provide independent auditing services for Fiscal Years 2019, 2020, and 2021, with NJ TRANSIT having the sole discretion to extend the contract for two additional one (1)-year periods, Fiscal Years 2022 and 2023. Under Contract No. 18-008, NJ TRANSIT will also have the sole discretion to retain Deloitte firm to provide the optional services of three (3) quarterly reviews of NJ TRANSIT's results of operations for the quarters ending September 30, 2023, December 31, 2023, and March 31, 2024. The total value of this authorization for the five (5)-year period and the three quarterly reviews after June 30, 2023 is \$2,987,291, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chair or Executive Director is authorized to contract with Deloitte to provide supplemental audit or other services during the contract period on an as-needed basis at a cost not to exceed \$200,000 per fiscal year, subject to the availability of funds.

**ITEM 1903-11: COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF EASEMENTS FROM AMTRAK AND A REMEDIATION AGREEMENT FOR THE MILLSTONE INDUSTRIAL TRACK AND CERTAIN PROPERTIES ADJACENT TO COUNTY YARD**

**WHEREAS**, in 1983, upon the commencement of rail operations by NJ TRANSIT on the Northeast Corridor ("NEC"), NJ TRANSIT was granted rights by Amtrak to use County Yard for its rail operations on the NEC; and

**WHEREAS**, in 1993, Amtrak leased a portion of County Yard to NJ TRANSIT granting NJ TRANSIT access to the three tracks in County Yard as well as partial access to Amtrak's crew quarters located in County Yard; and

**WHEREAS**, the acquisition of permanent easements from Amtrak at A) Handy Running Track, B) County Yard, and C) Certain properties along the Delco Lead in New Brunswick and North Brunswick, New Jersey will allow NJ TRANSIT to provide safe-haven storage of rail cars and locomotives in a strategically beneficial location along the Northeast Corridor (NEC), provide NJ TRANSIT with an additional facility to maintain its equipment at a mid-line location on the NEC, and permit the evacuation of rolling stock from both the Meadows Maintenance Complex and Morrisville Yard when extreme weather threatens service; and

**WHEREAS**, the permanent easements will allow NJ TRANSIT to expand its current rail service operations in County Yard from three to five yard tracks in County Yard and along the Northeast Corridor; and

**WHEREAS**, Amtrak currently owns the right of way for the Handy Running Track from Milepost ~31.90 to Milepost ~32.0) on the NEC in the City of New Brunswick, County of Middlesex, New Jersey; and

**WHEREAS**, the Handy Running Track serves as the connecting track between the NEC and County Yard; and

**WHEREAS**, acquisition of a permanent easement in the Handy Running Track, will allow NJ TRANSIT to expand its current rail service operations, and

**WHEREAS**, Amtrak also owns County Yard, located at M.P.~32.0 to M.P.~33.0 on the NEC, in the City of New Brunswick, County of Middlesex, New Jersey; and

**WHEREAS**, in 1983, upon the commencement of rail operations by NJ TRANSIT on the NEC, NJ TRANSIT was granted certain rights by Amtrak to use County Yard for its rail operations on the NEC; and

**WHEREAS**, in 1993, Amtrak leased a portion of County Yard to NJ TRANSIT granting NJ TRANSIT access to the three tracks in County Yard as well as partial access to Amtrak's crew quarters located in County Yard; and

**WHEREAS**, acquisition of a permanent easement in County Yard will give NJ TRANSIT full maintenance and operational control in County Yard, increase the efficiency of NJ TRANSIT's rail operations and provide resiliency storage in County Yard; and

**WHEREAS**, acquisition of a permanent easement in County Yard will also facilitate improved movement of trains and the rapid return to service following a service outage; and

**WHEREAS**, Amtrak also owns the right of way from Milepost ~33.0 to Milepost ~36.45 along the Delco Lead on the NEC, in the Township of North Brunswick, County of Middlesex, New Jersey; and

**WHEREAS**, acquisition of permanent easements to certain properties along the Delco and along the NEC, will allow NJ TRANSIT to expand its current rail service operations and provide resiliency storage; and

**WHEREAS**, the Millstone Industrial Track, is owned by Amtrak and connects NJ TRANSIT's Jersey Avenue Station to the NEC; and

**WHEREAS**, in 1993, NJ TRANSIT leased a portion of the Millstone Industrial Track from Amtrak; and

**WHEREAS**, authorization to enter into a remediation agreement for the Millstone Industrial Track will delineate PCB cleanup responsibilities by NJ TRANSIT; and

**WHEREAS**, authorization to enter into a remediation agreement for certain properties adjacent to County Yard will delineate PCB cleanup responsibilities by NJ TRANSIT; and

**WHEREAS**, pursuant to Section 3(d)(3) of the By-laws, the Chair or Executive Director is authorized to execute agreements with public and private railroads in order to advance and implement NJ TRANSIT's operating and capital programs;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is authorized to negotiate and enter into agreements with Amtrak to acquire (1) a permanent easement for a 1.10 acre property for the Handy track from Milepost ~31.90 to Milepost ~32.0, (2) a permanent easement for a 14.5 acres located in County Yard from Milepost ~32.0 to Milepost~ 33.0 and (3) a permanent easement in certain Amtrak properties along the Delco Lead totaling 2.9 acres from Milepost~33.0 to Milepost~36.45 in the City of New Brunswick and Township of North Brunswick, County of Middlesex, New Jersey, and (4) other temporary and permanent easements as necessary in order to effectuate the County Yard Improvement Project, in the amount discussed in Executive Session, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chair or Executive Director is authorized to negotiate and enter into an agreement with Amtrak to delineate PCB cleanup responsibilities by NJ TRANSIT in the Millstone Industrial track and certain properties adjacent to County Yard.

**ITEM 1903-12: COUNTY YARD IMPROVEMENT PROJECT: ACQUISITION OF 298 JERSEY AVE LLC AND 120 JERSEY AVE LLC, NEW BRUNSWICK, NEW JERSEY PRIVATE PROPERTY**

**WHEREAS**, in 1983, upon the commencement of rail operations by NJ TRANSIT on the Northeast Corridor (“NEC”), NJ TRANSIT was granted rights by Amtrak to use County Yard for its rail operations on the NEC; and

**WHEREAS**, in 1993, Amtrak leased a portion of County Yard to NJ TRANSIT granting NJ TRANSIT access to the three tracks in County Yard as well as partial access to Amtrak’s crew quarters located in County Yard; and

**WHEREAS**, the acquisition of property from 298 Jersey Ave LLC and 120 Jersey Ave LLC, is essential for the expansion of County Yard, which will allow for the safe-haven storage of rail cars and locomotives in a strategically beneficial location along the Northeast Corridor (NEC), provide NJ TRANSIT with an additional facility to maintain its equipment at a mid-line location on the NEC and permit the evacuation of rolling stock from both the Meadows Maintenance Complex and Morrisville Yard when extreme weather threatens service; and

**WHEREAS**, 298 Jersey Ave LLC, that owns property which includes parcels 5A and E5B. Acquisition of a fee and easement interests in 298 Jersey LLC, will provide NJ TRANSIT parcels 5A in fee and easement rights under parcels E5B; and

**WHEREAS**, 120 Jersey Ave LLC, that owns property which includes parcels 3A and E3B. Acquisition of a fee and easement interests in 120 Jersey LLC, will provide NJ TRANSIT parcels 3A in fee and easement rights under parcels E3B; and

**WHEREAS**, Parcels 5A, E5B 3A, E3B, have been appraised by an independent appraiser, and NJ TRANSIT recommends approval of the appraisal; and

**WHEREAS**, an environmental investigation has been completed on the property;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is authorized to take any and all actions to acquire, in accordance with the Eminent Domain Law of 1971, from 298 Jersey Ave LLC, a portion of the property located at 298 Jersey Avenue (Block: 242, Lot 5.02), New Brunswick, New Jersey, also known as parcels 5A and E5B, and 120 Jersey Avenue (Block: 242, Lot 3.02), New Brunswick, New Jersey, not to exceed the amount discussed in Executive Session, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chair or Executive Director is authorized to file complaints in condemnation and file and record declaration of taking to acquire said parcels and deposit the estimated just compensation with the Clerk of the Superior Court.

**ITEM 1903-13: NJ TRANSIT – PORTAL NORTH BRIDGE PROJECT:  
REAL ESTATE ACQUISITION**

**WHEREAS**, Portal Bridge is an existing two-track, railroad swing type drawbridge that spans the Hackensack River in New Jersey Between the Towns of Kearny and Secaucus in Hudson County, New Jersey; and

**WHEREAS**, Portal Bridge is a critical infrastructure for Amtrak and NJ TRANSIT, enabling movement between destinations east and west of the Hudson River; and

**WHEREAS**, the Portal Bridge, due to its age, design and current condition, represents a single point of failure on the Northeast Corridor (“NEC”) which is particularly critical to commuter rail transit between New Jersey and New York City for which NJ TRANSIT is responsible; and

**WHEREAS**, the replacement of the Portal Bridge by a new Portal Bridge (the “Project) will eliminate the need for movable span that interrupts rail operations and results in delays due to mechanical failures and will allow for 10 percent increase in peak hour passenger capacity; and

**WHEREAS**, when constructed, will be a new, two-track fixed structure and will eliminate the need for a moveable span that interrupts rail operations and results in delays due to mechanical failures which are exacerbated by the existing structure’s age; and

**WHEREAS**, NJ TRANSIT is an instrumentality of the State of New Jersey and is authorized to operate rail passenger service in New Jersey and between points in New Jersey and points in other states pursuant to the New Jersey Public Transportation Act of 1979, as amended; and

**WHEREAS**, this authorization to acquire multiple properties will allow NJ TRANSIT to provide for compensatory payment to property owners that hold title to land rights needed for the Project so long as NJ TRANSIT attempts to acquire the parcels from the property owners through bona fide negotiations as required by the Eminent Domain Act of 1971 NJSA 20:3-1, et seq.; and

**WHEREAS**, acquisition of easement interests from Jersey City Department of Water/Jersey City MUA, will provide NJ TRANSIT rights under parcel 117, that includes the permanent rights to construct and maintain the bridge; and

**WHEREAS**, acquisition of easement interests from the Town of Kearny, will provide NJ TRANSIT rights under parcels 125 and 127, that include a permanent right for construction and maintenance of the Portal Bridge North, and a permanent right to construct, maintain and reconstruct and exclusively use an access driveway, and a paved parking lot, E127C; parcels TCE125B and TCE127B will provide temporary rights to construct and maintain the bridge; and

**WHEREAS**, acquisition of easement interests from Public Service Electric and Gas Company, will provide NJ TRANSIT rights under parcel 126 and 133, that include a permanent right for construction and maintenance of the Portal Bridge North; parcel; SP133B will provide the right of ingress and egress over remaining lands of the owner; DE133D will provide temporary dominant estate rights to ingress and egress through utility easements; and TCE126B and TCE133C will provide temporary rights to construct and maintain the bridge; and TAUE126C will provide temporary aerial utility rights; and

**WHEREAS**, acquisition of easement interests from the County of Hudson, will provide NJ TRANSIT rights under parcel 209, that include a temporary right to construct and maintain a bridge and access platform, TCE209; and

**WHEREAS**, acquisition of easement interests from Norfolk Southern Railway Company, will provide NJ TRANSIT rights under parcel 207, that include the permanent rights to construct and maintain a bridge; and

**WHEREAS**, the Transportation Trust fund is the anticipated source of funding for the Portal North Bridge Project with reservation of reimbursement upon award of a federal grant;

**NOW, THEREFORE, BE IT RESOLVED** that the Chair or Executive Director is authorized to take any and all actions to acquire Parcels 133 and 207 in accordance with the Eminent Domain Law of 1971, not to exceed an amount as discussed in Executive Session, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chair or Executive Director is authorized to file complaints in condemnation and file and record a declaration of taking, where necessary, to acquire Parcels 117, 125, 126, 127, and 209 or other parcels for the Portal North Bridge Project and deposit the estimated just compensation with the Clerk of the Superior Court.

**ITEM 1903-14: PERSONAL INJURY CLAIM OF SOLBRINA FAJARDO**

**WHEREAS**, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

**WHEREAS**, Solbrina Fajardo has presented a claim with a probable settlement cost greater than \$500,000; and

**WHEREAS**, staff has reviewed the claim and recommends settling this case out of court;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to settle the claim of Solbrina Fajardo through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.