

Office of the Governor

NEWS RELEASE

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\$58 MILLION AWARDED TO MUNICIPALITIES IN FY99 TRANSPORTATION GRANTS

Governor Christie Whitman and Transportation Commissioner John J. Haley Jr. today announced the award of more than \$58 million to municipalities across the state for local street repair and resurfacing projects. This amount represents a portion of the \$130 million available for such projects through the New Jersey Department of Transportation's (NJDOT) FY99 Local Aid program.

"The NJDOT's Local Aid program is one of the best examples of taxpayer dollars being directed right back to the municipalities. It is also a prime reason why the Transportation Trust Fund must be renewed. Funds from this program are spent on fixing those local roads that the majority of people use day in and day out," Governor Whitman said.

"The highly developed transportation system that we have in New Jersey begins right at home. Local roads are the core of the state's roadway network. The Local Aid program funds the basic resurfacing and reconstruction projects. This type of work also keeps the economy strong by generating the greatest numbers of construction and related jobs. We estimate that every \$100 million invested in road projects results in 3,800 construction jobs," Commissioner Haley said.

Municipal aid funding is based on a formula that takes into account population and road mileage. In addition, municipal projects are selected for funding on a competitive basis by a panel of engineers who evaluate the condition of a roadway, the amount of traffic it carries and the role the road plays in the surrounding transportation network.

A list of those municipal projects receiving aid is attached and sorted by county.

The Local Aid Program is supported by the New Jersey Transportation Trust Fund. Under legislation signed into law by Governor Whitman in 1995, the Transportation Trust Fund was renewed and local aid funding was increased from \$100 million to \$130 million per year. The Local Aid program was increased by \$10 million, for a total of \$140 million, for FY98 through a special legislative appropriation.

Whitman and Haley also noted that, in conjunction with the reauthorization of the Trust Fund, municipalities are able to receive 75 percent of the grant once a construction contract is awarded. The remaining 25 percent is released upon completion of the project. In prior years, a municipality had to pay for the construction up front, then seek reimbursement from the state.

"This affords municipalities the ability to have the money in hand to begin the project, rather than having to go out and borrow and pay those associated costs. It's another way to help municipalities meet their road construction needs while at the same time not put an undue strain on their budgets," the Governor said.