



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 7, 2024

RE: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2 Award Amendment

REQUEST

The Members of the Board are requested to approve an amendment to the Phase 2 Commuter and Transit Bus Private Carrier Relief and Jobs Program’s award methodology.

BACKGROUND

On November 16th, 2023, Members of the Board approved the second phase of the Commuter and Transit Bus Private Carrier Relief and Jobs Program, granting amounts to eligible applicants based on a flat of award \$1,000,000, capped at unmet need. Following input from the industry, legislative sponsor, and the Governor's office, the NJEDA has reevaluated the award methodology. The initially approved recommendation featured a flat award amount to all eligible applicants. However, the current recommendation reinstates the previous program methodology, which is grounded in NTD miles operated. The NTD miles methodology effectively tailors the award size to the scale of miles operated.

PROPOSED PROGRAM STRUCTURE & DESIGN:

The proposed amended award methodology is to allocate funds proportionally to eligible applicants based on their total vehicle revenue miles (VRM), capped at unmet need. Award allocations will be based on each eligible applicant’s proportional share of the total vehicle revenue miles in New Jersey for 2022 for all eligible applicants, as reported in the NTD directly or through NJ Transit as a private carrier. This methodology is being used to account for additional variable revenue losses as companies cope with the new realities of hybrid work schedules.

The maximum award will not exceed the applicant’s unmet need. The unmet need is defined as 2022 New Jersey revenue losses (calculated as the difference between each applicant company’s 2022 revenues reported in New Jersey and 2019 revenues reported in New Jersey) less any other public or private funds that a company received for 2022.

Any funding that exceeds unmet need will be re-allocated to the pool proportionally based on vehicle revenue miles, to be disbursed to other eligible applicants.

Award Methodology:

Grants will be allocated to eligible applicants as a proportion to the applicant's total vehicle revenue miles (VRM), capped at unmet need. Any leftover funds would be reallocated proportionally based on VRM. The basic formula is shown below.

$$\text{Award amount} = \left(\frac{\text{Applicant VRM}}{\text{Total VRM}} \right) * \text{Total Grant Pool}$$

Total grant pool = \$11,400,000

Applicant VRM = Vehicle Revenue Miles submitted to NTD for NJ in 2022

Total VRM = Sum of Vehicle Revenue Miles submitted to NTD for NJ in 2022 for all eligible applicants

Total base awards = Sum of base awards for all applicants

All other program details remain the same.

LETTERS OF SUPPORT

In addition to this proposal, attached is Exhibit B: Letter of Support from the Bus Association of New Jersey and Exhibit C: Letter of Support from State Senator Diegan. The support from industry and influential stakeholders underscores the significance and potential success of the proposed amendment.

SUMMARY

The Members of the Board are requested to approve an amendment to the Phase 2 Commuter and Transit Bus Private Carrier Relief and Jobs program's award methodology.



Tim Sullivan, CEO

Prepared by: Oliva Barone, Sr. Project Officer

Attached:

Exhibit A: Phase 2 Board Memo

Exhibit B: Letter of Support from Bus Association of New Jersey

Exhibit C: Letter of Support from Senator Diegan



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: November 16, 2023
RE: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2

REQUEST

The Members of the Board are requested to approve:

1. The creation of the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2, a second phase of a relief program that provides grants to eligible commuter and transit bus private carriers in New Jersey that are experiencing reduced ridership due to the new realities of remote and hybrid work schedules.
2. Utilization of \$12 million appropriated to the Authority through the SFY2024 State Budget to fund Phase 2 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program of up to 5% (\$600,000) would be utilized by the Authority to support administrative costs associated with operating the program.
3. Delegation of authority to the Chief Executive Officer to approve eligible applications and decline based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2 in accordance with the terms set forth in this memo and attached program specifications
4. Delegation of authority to the Chief Executive Officer to accept up to \$20,000,000 in additional program funds and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.

BACKGROUND

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey’s efforts to contain the spread of COVID-19. Containing the COVID-19 pandemic necessitated restrictions on public gatherings and led to mandated closing for non-essential businesses. New Jersey businesses and residents faced significant economic challenges due to these public health measures. Even essential services that maintained operations through the public health shutdown faced additional financial strain due to increased sanitation protocols and reductions in customers.

The transportation industry was among one of the industries hardest hit during the pandemic. It was defined as an essential service in P.L. 2020, c. 84, signed by Governor Murphy on September 14th, 2020. Executive Order No. 125, signed by Governor Murphy on April 11th, 2021, mandated additional

mitigation requirements on NJ Transit and all private carriers to limit the spread of COVID-19, including requirements that both directly and indirectly decreased ridership, resulting in a significant loss of revenue to private transportation companies. Despite public health-related restrictions being lifted and the broader economy showing signs of recovery, ridership had still not returned to its pre-pandemic levels. As such, grant funding was necessary to help private carriers recover from their lost revenues, allowing them to retain or create jobs.

Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program Phase 1

To provide financial relief to address the continued impact of COVID-19 on the economy, the Federal government passed the American Rescue Plan Act (ARP) of 2021. Within the ARP, the Coronavirus State and Local Fiscal Recovery Fund (SFRF) provided approximately \$6.2 billion in funds to the State of New Jersey for a variety of recovery-specific uses. The State's Fiscal Year 2022 Appropriations Act allocated \$25,000,000 of these monies to the Authority, and the Members approved the Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program (Phase 1 of the Program) in February 2022. Phase 1 of the Program provided a one-time grant to thirteen (13) eligible commuter and transit bus private carriers that operate essential services in New Jersey.

OVERVIEW

Based on an additional \$12 million in funding appropriated to the Authority through the SFY2024 State Budget, the Members are requested to approve a second phase of the Commuter and Transit Bus Private Carrier Relief and Jobs Program to help commuter and transit bus transportation companies alleviate continued revenue loss resultant from the effects of this new normal economy and the new realities of remote work. Helping the state's private carrier industry will both benefit New Jerseyans who rely on the state's commuter bus services as well as the residents employed by the private carrier companies.

The objective of Phase 2, similar to Phase 1, is to provide financial relief and support to private carrier companies facing reduced ridership due to the new realities of remote work. Providing financial relief to private carrier companies aligns with the economic development priority of "investing in communities to build world-class cities, towns, and infrastructure statewide" which EDA previously adopted pursuant to (13)of the ERF Act (34:1B-7.13(a)(13)). By supporting these companies, we contribute to the overall well-being of communities, help maintain essential transportation services, and foster economic resilience within the state. Incorporating the policy of providing relief grants to private carrier companies facing reduced ridership due to remote work not only addresses their financial challenges but also advances our priority of investing in communities and infrastructure. By adapting to the evolving transportation landscape, these private carriers can continue to serve their communities effectively, contributing to the overall success of our state's development goals.

TRANSPORTATION INDUSTRY-SPECIFIC DEFINITIONS

The National Transit Database (NTD) is a publicly available repository of data about the financial, operating, and asset condition of transit systems, providing a public accounting of these services. The NTD is designed to support local, state, and regional planning efforts through the availability of multi-year data for trend analyses. Transit agencies report data on a number of key metrics including Vehicle Revenue Miles (VRM), Vehicle Revenue Hours (VRH), Passenger Miles Traveled (PMT), Unlinked

Passenger Trips (UPT), and Operating Expenses (OE). This resource, as a Federally maintained and validated register, will serve as the basis for the allocation of funds within the Program.

The Program will use the definitions of the following terms as quoted from the Federal Transit Administration in the NTD Glossary:¹

Vehicle Revenue Miles are the miles that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue miles include layover and recovery time. Vehicle revenue miles exclude deadhead, operator training, vehicle maintenance testing, and other non-revenue uses of vehicles.

Fixed Route Services are services provided on a repetitive, fixed schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed route trip serves the same origins and destinations, such as rail and bus (MB); unlike demand responsive (DR) and vanpool (VP) services.

Commuter Bus (CB) is a local fixed-route bus transportation primarily connecting outlying areas with a central city. Characterized by a motorcoach (aka over-the-road bus), multiple trip tickets, multiple stops in outlying areas, limited stops in the central city, and at least five miles of closed-door service.

Charter Service is a vehicle hired for exclusive use that does not operate over a regular route, on a regular schedule and is not available to the general public.

For the purposes of the Program, Vehicle Revenue Miles reported to the NTD, as recorded in Annual Data Tables, in the most current Service data available for New Jersey, or through NJ Transit as their private carrier in the most current year, will be used as an eligibility criteria.

For the purposes of the Program, eligible applicants need to provide a fixed route service by bus (MB); other transit modes are not eligible.

Proposed Program Structure & Design:

To streamline the program and ensure the Authority can efficiently deploy this funding, program eligibility will be based on certain non-discretionary criteria, and grant amounts will be calculated based on a predefined formula.

To be eligible, an applicant must demonstrate the following in a manner acceptable to the Authority:

- Have been in business prior to February 15, 2020;
- Be a for-profit business (non-profits are excluded from the Program based on other required criteria); public agencies, authorities, or government entities are not eligible;

¹ Federal Transit Administration (2023, March 8th). *National Transit Database (NTD) Glossary*. United States Department of Transportation. Retrieved September 19, 2023 from <https://www.transit.dot.gov/ntd/national-transit-database-ntd-glossary>

- Be registered to do business in and operating in the state of New Jersey, as evidenced by a current New Jersey Tax Clearance Certificate;
- Provide fixed route bus service (MB) or commuter bus (CB) service as defined in the Federal Transit Administration’s *National Transit Database (NTD) Glossary*. Other services, including but not limited to those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible;
- Have reported Vehicle Revenue Miles for fixed route bus service (MB) or commuter bus service (CB) greater than 0 in New Jersey directly to the NTD, as recorded in the current Annual Data Tables Service, or through NJ Transit as a private carrier;
- Demonstrate systemic decrease in revenues (losses) in the state of New Jersey in 2022 due to the new realities in working habits (calculated as the difference between each applicant company’s 2022 NJ-generated revenues and 2019 NJ-generated revenues as reported in the respective NJ CBT-100 or CBT-100S tax returns, Schedule J) that has not been fully addressed by other public or private relief funding sources
- Certify bus service, through peak vehicle requirements or notice of service changes, has not voluntarily reduced since 2021, from time of application, at milestone stages, and through the end of the grant compliance period.
- Satisfy the Authority’s debarment/disqualification review and not have any defaults or outstanding obligations to the Authority; and
- Be in good standing with the following sister agencies: New Jersey Department of Labor, New Jersey Department of Environmental Protection, New Jersey Division of Taxation, and New Jersey Transit.

The Program will be structured as a non-competitive grant. As such, the Program’s application will remain open for a fixed period of time (to be determined based on anticipated demand, but not less than two weeks), and all eligible applicants that apply within this period will receive a grant. Once the application period closes, staff will review all applications for completeness and eligibility. Applicants who have not provided the Authority will all necessary information will be given the opportunity to remedy, per Program’s standard operating procedures. Grant amounts will be determined for all eligible applicants based on a flat award amount of \$1,000,000, if applicable, with total grant amount capped at unmet need.

The flat amount of \$1,000,000 was determined based on about 80% of the overall Program budget (at least \$11,400,000), using the anticipated Program applicant pool of approximately ten eligible organizations. The rationale behind using a flat grant amount is a means to equitably address base overhead costs, for example, the cost of vehicle maintenance, employee salaries, and garage depots for buses. However, if there are more than twelve eligible applicants with unmet needs greater than \$1,000,000, the flat amount provided to each eligible applicant will be reduced such that all applicants receive an equal share of the funding pool. Any amounts unused from the maximum available for the flat grant amount, inclusive of any bonus funding, in aggregate will be included in the allocation of the remainder of the funds.

The maximum award, inclusive of the flat amount will not exceed the applicant’s unmet need. The unmet need is defined as 2022 New Jersey revenue losses (calculated as the difference between each applicant company’s 2022 revenues reported in New Jersey and 2019 revenues reported in New Jersey) less any other public or private funds that a company received for 2022.

Any funding, flat amount or pro-rata share, that exceeds unmet need will be re-allocated to the pool to be disbursed to other eligible applicants.

Award Methodology:

Grants will be allocated to eligible applicants using a predefined formula, consisting of a flat award amount for eligible applicants, capped at unmet need. The basic formula is shown below.

$$\text{Award amount} = \text{Base award} + \left(\frac{\text{balance of total grant pool} - \text{total base awards}}{\text{Number of applicants}} \right)$$

Potential total grant pool = \$11,400,000

Base award = \$1,000,000 (unless capped by unmet need)

Total base awards = Sum of base awards for all eligible applicants

Funding Disbursements:

There is an ongoing commitment to sustain essential service providers, therefore Phase 2 of the Program will introduce a milestone-based disbursement process. As part of this approach, successful applicants will receive half of their awarded funds upon the completion and execution of the grant agreement.

The second disbursement of the remaining half of the award, will be contingent upon the outcome of the 2024 NJ Transit review of peak vehicle requirements, which will be available in Q3 2024. Approved applicants will only receive their final disbursement once NJ Transit confirms no variances in peak vehicle requirements. In the event of review of peak vehicle requirements is less than amount confirmed at time of application, or if there is a notice of decreased service, the awardee will forfeit the remaining reserved approved funds.

This milestone-based disbursement strategy aims to streamline the allocation process and ensure that funding aligns with evolving service demands.

In the event an awardee forfeits the remainder of their grant funds, the funds will be redistributed to the remaining eligible awardees and disbursed accordingly.

Fees

To support the administrative costs associated with operating this program, the Members are requested to approve the utilization of up to 5% of the appropriation (\$600,000) to cover costs such as staff time, technology development, marketing, etc. NJEDA Staff will be responsible for reviewing applications, coordinating good standing reviews, disbursing funds, maintaining a program website, and providing educational resources, such as FAQs and webinars, to applicants when needed.

As allowed by EDA's recently revised fee rules, no application fee will be charged because EDA is using part of the funds for EDA's administrative costs.

Diversity, Equity, and Inclusion:

This program has a tightly defined purpose targeted to provide support to private carrier companies. To support NJEDA's commitment to diversity, equity, and inclusion, the application will include voluntary disclosures about applicant company demographic data and request a diversity, equity, and inclusion plan, policy, or statement for their organization.

Appeals:

Applicants will have the right to appeal the Authority's determination of eligibility and award amount. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 business days but no longer than 10 business days). The CEO or delegate(s) will designate Hearing Officers, who will be a staff member who has not up until that point been directly involved, to review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will prepare a Final Administrative Decision, which must be approved by the CEO or delegate(s). Due to the proportional distribution of funds, all funds will be held from assignment until all appeals are resolved, after which funds will be disbursed.

SUMMARY

The Members of the Board are requested to approve: (1) the creation of the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2, a second phase of a relief program that provides grants to eligible commuter and transit bus private carriers in New Jersey that are experiencing reduced ridership due to continued remote and hybrid work schedules following the COVID-19 pandemic; (2) utilization of \$12 million appropriated to the Authority through the SFY2024 State Budget to fund Phase 2 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program, of up to 5% (\$600,000) would be utilized by the Authority to support administrative costs associated with operating the program; 3) Delegation of authority to the Chief Executive Officer to approve eligible applications and decline based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 2 in accordance with the terms set forth in this memo and attached program specifications; and 4) Delegation of authority to the Chief Executive Officer to accept up to \$20,000,000 in additional program funds and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.



Tim Sullivan, CEO

Prepared by: Oliva Barone, Sr. Project Officer

Exhibit A - Commuter and Transit Bus Private Carrier Relief and Jobs – Phase 2 Program Specifications

Exhibit A

Commuter and Transit Bus Private Carrier Relief and Jobs – Phase 2 Program Specifications

These specifications are provided as a summary. In the case Exhibit A does not specify details or requirements or utilizes different language from the memorandum, the memorandum takes precedence.

Funding Source	The Commuter and Transit Bus Private Carrier Relief and Jobs Program (“the Program”) is funded through the SFY2024 State Budget
Program Budget	\$12,000,000 (up to 5% of the appropriation (\$600,000) for admin costs)
Program Expiration	The Program will be structured as a non-competitive grant. As such, the Program’s application will remain open for fixed period of time (no less than two weeks) and all applicants that apply within this period and meet the eligibility requirements will receive a grant. Program will expire when all funds are disbursed.
Program Purpose	The Commuter and Transit Bus Private Carrier Relief and Jobs Program is a non-recurring grant program to help commuter and transit bus transportation companies alleviate continued revenue loss resultant from the effects of a post pandemic economy and the new realities of remote work. Helping the state’s private carrier industry will both benefit New Jerseyans who rely on the state’s commuter bus services as well as the residents employed by the private carrier companies.
Applicant Eligibility Requirements	<p>To be eligible, an Applicant must:</p> <ul style="list-style-type: none"> • Have been in business prior to February 15, 2020; • Be a for-profit business (non-profits are excluded from the Program based on other required criteria); public agencies, authorities, or government entities are not eligible; • Be registered to do business in and operating in the state of New Jersey, as evidenced by a current New Jersey Tax Clearance Certificate; • Provide fixed route bus service (MB) or commuter bus (CB) service as defined in the Federal Transit Administration’s National Transit Database (NTD) Glossary. Other services, including but not limited to

	<p>those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible;</p> <ul style="list-style-type: none">• Have reported Vehicle Revenue Miles for fixed route bus service (MB) or commuter bus service (CB) greater than 0 in New Jersey directly to the NTD, as recorded in the current Annual Data Tables Service, or through NJ Transit as a private carrier;• Demonstrate systemic decrease in revenues (losses) in the state of New Jersey in 2022 due to the new realities in working habits (calculated as the difference between each applicant company's 2022 NJ-generated revenues and 2019 NJ-generated revenues as reported in the respective NJ CBT-100 or CBT-100S tax returns, Schedule J) that has not been fully addressed by other public or private relief funding sources• Certify bus service, through peak vehicle requirements or notice of service changes, have not voluntarily reduced since 2021, from time of application, at milestone stages, and through the end of the grant compliance period.• Satisfy the Authority's debarment/disqualification review and not have any defaults or outstanding obligations to the Authority; and• Be in good standing with the following sister agencies: New Jersey Department of Labor, New Jersey Department of Environmental Protection, New Jersey Division of Taxation, and New Jersey Transit.
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<p>Program funding levels and Calculation of Award:</p>	<p>Grant amounts will be determined for all eligible applicants based on a flat award amount of \$1,000,000, if applicable, with total grant amount capped at unmet need.</p> <p>The flat amount of \$1,000,000 was determined based on about 80% of the overall Program budget (at least \$11,400,000), using the anticipated Program applicant pool of approximately ten eligible organizations. The rationale behind using a flat grant amount is a means to equitably address base overhead costs, for example, the cost of vehicle maintenance, employee salaries, and garage depots for buses. However, if there are more than twelve eligible applicants with unmet needs greater than \$1,000,000, the flat amount provided to each eligible applicant will be reduced such that all applicants receive an equal share of the funding pool. Any amounts unused from the maximum available for the flat grant amount, inclusive of any bonus funding, in aggregate will be included in the allocation of the remainder of the funds.</p> <p>The maximum award, inclusive of the flat amount will not exceed the applicant’s unmet need. The unmet need is defined as 2022 New Jersey revenue losses (calculated as the difference between each applicant company’s 2022 revenues reported in New Jersey and 2019 revenues reported in New Jersey) less any other public or private funds that a company received for 2022.</p> <p>Any funding, flat amount or pro-rata share, that exceeds unmet need will be re-allocated to the pool to be disbursed to other eligible applicants.</p>
<p>Funding Disbursement</p>	<p>The Program will introduce a milestone-based disbursement process. As part of this approach, successful applicants will receive half of their awarded funds upon the completion and execution of the grant agreement.</p> <p>The second disbursement of the remaining half of the award, will be contingent upon the outcome of the 2024 NJ Transit review of peak vehicle requirements, which will be available in Q3 2024. Approved applicants will only receive their final disbursement once NJ Transit confirms no variances in peak vehicle requirements. In the event of review of peak vehicle requirements is less than amount confirmed at time of application, or if there is a notice of decreased service, the awardee will forfeit the remaining reserved approved funds.</p>

	<p>In the event an awardee forfeits the remainder of their grant funds, the funds will be redistributed to the remaining eligible awardees and disbursed accordingly.</p>
Fee Schedule	<p>To support the administrative costs associated with operating this program, the Members are requested to approve the utilization of up to 5% of the appropriation (\$600,000) to cover costs such as staff time, technology development, marketing, etc. NJEDA Staff will be responsible for reviewing applications, coordinating good standing reviews, disbursing funds, maintaining a program website, and providing educational resources, such as FAQs and webinars, to applicants when needed.</p> <p>As allowed by EDA's recently revised fee rules, no application fee will be charged because EDA is using part of the funds for EDA's administrative costs.</p>
Appeals	<p>Applicants will have the right to appeal the Authority's determination of eligibility and award amount. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 business days but no longer than 10 business days). The CEO or delegate(s) will designate Hearing Officers, who will be a staff member who has not up until that point been directly involved, to review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will prepare a Final Administrative Decision, which must be approved by the CEO or delegate(s). Due to the proportional distribution of funds, all funds will be held from assignation until all appeals are resolved, after which funds will be disbursed.</p>



Mr. Tim Sullivan, Chief Executive Officer
Ms. Kathleen W. Coviello, Chief Economic Transformation Officer
New Jersey Economic Development Authority
NJ Bioscience Center
675 US Highway One
North Brunswick, NJ 08902
Sent via email

Dear Mr. Sullivan and Ms. Coviello,

I write on behalf of the Bus Association of New Jersey to thank you for considering changes to the allocation formula for the Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program. Our association would be very supportive of a Board action to amend the program to better match grant amounts to services provided, by allocating the grants according to miles contributed by each applicant to the National Transportation Database (NTD).

The Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program, as you know, was first funded in 2022 and was designed, fundamentally, to allocate emergency aid funds to operators based on their share of total miles contributed to the National Transit Database (NTD) during the review period.

The formula provided a base \$500,000 award to all applicants with the remaining funds allocated by calculating each company's NTD miles divided by the total NTD miles for the grant pool. The funding amount was \$25 million less administrative costs for the NJEDA.

Given that after the award of the \$500,000 base to each carrier the remainder of the total available funding was significant enough to be allocated proportionately to service provided, every carrier accepted the program, and the allocations were made.

The current grant amount is half of that earlier funding -- \$12 million (gross) -- and as adopted by the Board last November, the minimum base award is doubled to \$1 million from \$500 thousand. That means that the base awards will essentially consume the entire funding allowance. This allocation format penalizes operators who generate the most miles to the NTD -- that is, the ones that have been providing the most service and incur the greatest cost to operate and sustained losses.

For the reasons outline above we recommend and support an amendment to the program by the NJEDA Board to eliminate the base awards and allocate the relief funds solely by NTD miles operated. This new formula will fairly provide funds to applicants based on the buses and miles they operate and the service provided to the people of New Jersey. We believe that this measure will better achieve the NJEDA's goals as stated at its November 16, 2023 Board meeting

Thank you very much for your consideration of views and our support for this measure.

Sincerely yours,

Scott Sprengel

Scott Sprengel
President, Bus Association of New Jersey
TITLE, Academy Bus Lines
(201) 420-7000
scott@academybus.com

cc. Dennis Zeveloff, Chief Policy Advisor, Office of the Governor
Christopher D'Elia, Transportation Policy Advisor to the Governor
Carol Katz, President, Katz Government Affairs, LLC



NEW JERSEY SENATE

PATRICK J. DIEGNAN, JR.

SENATOR, 18TH DISTRICT
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COMMITTEES
TRANSPORTATION, CHAIR
BUDGET AND APPROPRIATIONS

January 25, 2024

Mr. Tim Sullivan, Chief Executive Officer
Ms. Kathleen W. Coviello, Chief Economic Transformation Officer
New Jersey Economic Development Authority
NJ Bioscience Center
675 US Highway One
North Brunswick, NJ 08902

Dear Mr. Sullivan and Ms. Coviello,

I write to encourage the New Jersey Economic Development Authority (NJEDA) Board to consider making changes to the allocation formula for the Commuter and Transit Bus Private Carrier Pandemic Relief and Jobs Program as approved on November 16, 2023.

As you know, the allocation formula approved by the Board in November provides a \$1 million minimum base award to each eligible carrier. Unfortunately, this format may penalize the operators who generate the most miles to the National Transportation Database (NTD). However, the miles generated are indicative of the operators that have been providing the most service and likely incur the greatest cost (and greater losses) to operate.

This approved formula is also a departure from how the NJEDA allocated awards when the program was first funded in 2022.

Accordingly, I respectfully request the NJEDA Board consider an amendment to the program to eliminate the base awards and allocate the relief funds solely by miles operated as indicated by the NTD database, as was done in 2022. This formula will more fairly provide funds to applicants based on the buses and miles they operate and the service provided to the people of New Jersey.

Additionally, I respectfully request the NJEDA Board consider this change at its earliest possible convenience so approved carriers can gain some much-needed relief and focus on continuing to provide valuable transportation services statewide.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick J. Diegnan, Jr.", written over a white background.

Patrick J. Diegnan, Jr.

cc. Dennis Zeveloff, Chief Policy Advisor, Office of the Governor
Christopher D'Elia, Transportation Policy Advisor to the Governor