

MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 10, 2025
SUBJECT: **Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3**

REQUEST:

The Members of the Board are requested to approve:

1. The Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, a third phase of a relief program that provides grants to eligible commuter and transit bus private carriers in New Jersey that are experiencing reduced ridership.
2. Utilization of \$3 million appropriated to the Authority through the SFY2026 State Budget to fund the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3, of which 5.0% (\$150,000) would be utilized by the Authority to support administrative costs associated with operating the program. The balance of \$2,850,000 will be utilized as grants to eligible applicants.
3. Delegation of authority to the Chief Executive Officer to approve eligible applications and to decline those based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 in accordance with the terms set forth in this memo and attached program specifications (Appendix A).

BACKGROUND:

COVID-19 Pandemic and Its Impacts

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 provided a one-time grant to thirteen (13) eligible commuter and transit bus private carriers that operate essential services in New Jersey.

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

The objective of Phase 2, similar to Phase 1, was to provide financial relief and support to private carrier companies facing reduced ridership due to the new realities of remote work. The State's Fiscal Year 2024 Appropriations Act allocated \$12 million to the Authority to fund Phase 2 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program. Phase 2 provided grants to ten (10) eligible commuter and transit bus private carriers that operate essential services in New Jersey.

OVERVIEW

Based on an additional \$3 million in funding appropriated to the Authority through the SFY2026 State Budget, the Members are requested to approve the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 ("Program") to help commuter and transit bus transportation companies alleviate continued revenue loss due to reduced ridership. 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 3, similar to Phase 1 and Phase 2, is to provide financial relief and support to private carrier companies facing reduced ridership. Phase 3 will differ from prior Phases by distributing grant awards based on 2024 Vehicles Operated in Maximum Service (VOMS) data collected and published from the National Transit Database (NTD) for each approved applicant. Award sizes will no longer be calculated based on unmet need or total vehicle revenue miles. Phase 3 will also return to Phase 1's model of a single funding disbursement awarded upon the execution of a grant agreement. By supporting these companies, the Authority will contribute to the overall

well-being of communities, help maintain essential transportation services, and foster economic resilience within the State. Providing relief grants to private carrier companies facing reduced ridership, not only addresses their financial challenges but also advances the 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 the State's development goals.

TRANSPORTATION INDUSTRY-SPECIFIC DEFINITIONS

The 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 multiyear data for trend analyses.

To be eligible for the grant, the applicant must show it currently provides Fixed Route Services or Commuter Bus transportation, as defined in the Federal Transit Administration in the NTD Glossary and as copied here:

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.

Additionally, we will be using the following term as defined by NTD to calculate award sizes:

Vehicles Operated in Maximum Service (VOMS) is the number of revenue vehicles operated to meet the annual maximum service requirement. This is the revenue vehicle count during the peak season of the year; on the week and day that maximum service is provided. Vehicles operated in maximum service (VOMS) exclude:

- Atypical days; or
- One-time special events.

Proposed Program Structure & Design:

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

- Are recognized as an active Private Carrier by NJ Transit at time of application, as demonstrated by NJ Transit program participation or other equivalent documentation. Ferry operators providing bus service that are designated as Private Carriers are also eligible.
- Are a for-profit business
 - Ineligible entities include public agencies, authorities, or government entities
- Are registered to do business in and operating in the state of New Jersey, as evidenced by a valid New Jersey Tax Clearance Certificate;

- Provide active Fixed Route Services or Commuter Bus service. Proof of active service can be shown by providing route documentation (route map, schedules, etc.), proof of ridership (ticket sales, passenger counts, etc.), vehicle revenue miles, or other equivalent documentation. Other transportation services, including but not limited to those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible.
- Satisfy the Authority's debarment/disqualification review and not have any defaults or outstanding obligations to the Authority; and
- Are in good standing with the following 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 will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance. If an applicant responds but does not provide the requested additional information, the application will be declined with a right to appeal.

Award Methodology:

Applicants will submit 2024 VOMS data, which will be verified with NTD.

Grants will be allocated on a percentage based on eligible applicants 2024 VOMS data as published by NTD. Awards will be determined based on the percentage of 2024 VOMS each applicant has in relation to the total 2024 VOMS from all applicants. For example, if an applicant's 2024 VOMS is 19% of the total VOMS from all applicants, then that applicant would receive 19% of the \$2,850,000 available funding.

Funding Disbursements:

The Program will disburse the entire award upon execution of a Grant Agreement. This will eliminate Phase 2's multi-disbursement approach, which was administratively burdensome. Additionally, given that the award sizes are much smaller than previous rounds, NJEDA believes it is crucial to provide the award funding amount all at once. This will allow funds to quickly be used to provide financial relief and support to private carrier companies facing continued reduced ridership.

Fees:

Per the Authority's fee rules at N.J.A.C 19:30-6.1A(b)3, application fees can be waived when there are other sources of funding for the Authority's administrative costs. Given the utilization

of up to 5.0% of the appropriation (\$150,000) to cover administrative costs, such as staff time and application technology development, there will be no fees charged to applicants under the Program. 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 an informational webinar, to applicants when needed.

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 any relevant diversity, equity, and inclusion information for their organization

Appeals:

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Hearing Officer will recommend an administrative decision. Delegated authority is requested to accept final administrative decisions prepared by a Hearing Officer for appeals based on solely non-discretionary reasons. 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

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3. Delegation of authority to the Chief Executive Officer to approve eligible applications and decline those based solely on non-discretionary reasons for the Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3 in accordance with the terms set forth in this memo and attached program specifications (Appendix A)

Tim Sullivan
Chief Executive Officer

Prepared by:

Cassandra Havens

Analyst, Clean Energy

Appendix A – Proposed Product Specifications: Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3

Appendix A: Proposed Program Specifications
Commuter and Transit Bus Private Carrier Relief and Jobs Program – Phase 3
September 10, 2025

Program Details	<ul style="list-style-type: none"> Phase 3 of the Commuter and Transit Bus Private Carrier Relief and Jobs Program Intended to help commuter and transit bus transportation companies alleviate ongoing revenue loss due to reduced ridership.
Program Funding	<ul style="list-style-type: none"> \$3,000,000 from the SFY2026 State Budget <ul style="list-style-type: none"> Of which 5.0% (\$150,000) would be utilized by the Authority to support administrative costs associated with operating the program
Grant Amount	<ul style="list-style-type: none"> Grants will be allocated to eligible applicants on a percentage based on each eligible applicant's 2024 VOMS data as published by NTD.
Eligibility Requirements	<p>Applicant Eligibility:</p> <ul style="list-style-type: none"> Is recognized as an active Private Carrier by NJ Transit at time of application. This includes ferry operators designated as Private Carriers. Demonstrated by NJ Transit program participation or other equivalent documentation; Be a for-profit business <ul style="list-style-type: none"> Ineligible entities include public agencies, authorities, or government entities Be registered to do business in and operating in the state of New Jersey, as evidenced by a valid New Jersey Tax Clearance Certificate; Provide fixed route bus service or commuter bus service as defined in the Federal Transit Administration's National Transit Database (NTD) Glossary. This can be through active route documentation (route map, schedules, etc.), proof of ridership (ticket sales, passenger counts, etc.), vehicle revenue miles, or other equivalent documentation to demonstrate active service. Other transportation services, including but not limited to those provided by charter buses, school buses, municipal shuttles, vanpool, and on-demand bus services, are not eligible; 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.
Application Process	<ul style="list-style-type: none"> 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 will be provided a 10-business day cure period to correct submission deficiencies identified by staff to be incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn

	<p>and not advance. If an Applicant responds but is unable to provide the requested additional information, the application will be declined with a right to appeal.</p> <ul style="list-style-type: none">• Appeal process: Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Hearing Officer will recommend an administrative decision. Delegated authority is requested to accept final administrative decisions prepared by a Hearing Officer for appeals based on solely non-discretionary reasons. 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.
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