

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2977
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JANUARY 3, 2023

SUMMARY

Synopsis: Requires NJT to pay certain persons one-and-a-half times regular rate for work during period of commercial vehicle travel restriction issued by DOT.

Type of Impact: State expenditure increase.

Agencies Affected: New Jersey Transit Corporation.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual Impact</u>
State Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would increase expenditures for the New Jersey Transit Corporation (NJ Transit) associated with the payment of increased wages to certain employees who operate Access Link vehicles during certain commercial vehicle travel restrictions.
- According to data available through an online employment marketplace, the average hourly wage for an Access Link operator in Newark, New Jersey is roughly \$28 per hour. Based on this amount, the bill would increase NJ Transit’s personnel costs by approximately \$14 per hour for each person who operates an Access Link vehicle during an applicable commercial vehicle travel restriction.
- However, the OLS is unable to quantify the annual fiscal impact of the bill because the OLS is unable to predict: (1) the number of hours in which weather-related commercial vehicle travel restrictions will be imposed each year; and (2) the number of Access Link service routes that will be impacted by such restrictions.

BILL DESCRIPTION

This bill requires NJ Transit to pay Access Link drivers “time-and-a-half” for operating an Access Link paratransit vehicle during a commercial vehicle travel restriction for inclement

weather issued by the Commissioner of Transportation. The bill specifies that the enhanced compensation is only available for hours worked during the actual period of the commercial vehicle travel restriction.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would result in an indeterminate expenditure increase for NJ Transit associated with the payment of increased wages to certain persons who operate Access Link vehicles during certain commercial vehicle travel restrictions.

Under current law, when the Commissioner of Transportation determines that an emergency condition requires the immediate closing of a State highway, the commissioner may close the highway to certain categories of vehicles (e.g., commercial vehicles) without advance notice. In these situations, the commissioner may issue a commercial vehicle travel restriction; however, these restrictions often do not apply to certain categories of commercial vehicles, such as public transportation vehicles. Specifically, the bill provides that when a commercial vehicle travel restriction is issued as a result of inclement weather, and NJ Transit continues to operate Access Link services during such time, NJ Transit would be required to pay the operators of Access Link vehicles one-and-a-half times their regular hourly wages.

Consequently, the bill is expected to increase the total wages that are paid to certain Access Link operators. According to information available through an online employment marketplace, the average hourly wage for an Access Link operator in Newark, New Jersey was roughly \$28 per hour, as of July 2022. Based on this hourly wage, the bill would increase the personnel costs of Access Link providers by approximately \$14 per hour for each person who operates an Access Link vehicle during an applicable commercial vehicle travel restriction. These increased costs would then be realized by NJ Transit, which contracts with providers for Access Link services.

However, the OLS is unable to quantify the annual fiscal impact of the bill because the OLS is unable to predict: (1) the number of hours in which weather-related commercial vehicle travel restrictions will be imposed each year; and (2) the number of Access Link service routes that will be impacted by such restrictions. Notably, the OLS assumes that the bill would only require NJ Transit to be responsible for increased wages when an applicable commercial vehicle travel restriction directly overlaps with Access Link service routes and hours of operations. For context, Access Link hours of operation generally follow those of NJ Transit's fixed bus routes. Similarly, Access Link service is only available for pick-up and drop-off locations within a certain radius of NJ Transit's local fixed bus routes and light rail stations.

Section: Authorities, Utilities, Transportation and Communications

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).