

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3124

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2022

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3124.

This bill revises the definition of “eligible contract” under the law that requires the Department of Transportation (department) to create a grant program to compensate certain contractors and subcontractors for increases in the acquisition cost of certain materials needed to meet their obligations under certain contracts awarded by the department. The bill provides that eligible contracts under the grant program are construction contracts awarded by the department based upon bids submitted prior to December 1, 2021, rather than those submitted prior to April 1, 2020.

Additionally, the bill extends the period of time in which eligible contractors and subcontractors may apply for the grant program. Specifically, the bill provides that the initial application period would remain open for 90 days after the date of enactment of this bill.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill to increase State expenditures associated with the increase of newly eligible applicants for the grant program. These cost increases would primarily stem from the increased number of grants issued to newly eligible applicants who are engaged in active contracts with the department, and the ongoing administration of the grant program. The department has previously been appropriated \$10 million from the Coronavirus State Fiscal Recovery Fund for the grant program, and this bill will not increase funding for the program absent any additional appropriation to the department with the purpose of increasing the scope of the program. The OLS is unable to quantify the amount that the department has already awarded for eligible contracts through April 1, 2020.