

BLAME TRENTON, NOT TRANSIT Behind NJ Transit's Fare Hike



Tri-State Transportation Campaign

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NJ Transit recently announced plans to raise fares up to 10% this year, the third fare hike since 2002. If the 10% hike is approved, average bus and rail fares will have grown 33% in the last six years, nearly twice the 17.5% rise in general consumer prices over that time. Meanwhile, other transportation funding sources like the NJ gas tax and Parkway tolls haven't increased since the 1980s.

Outgoing Transit Executive Director George Warrington has warned of a "policy of periodic fare increases" to help the agency keep up with rising costs. But he expressed hope that "the state will focus on the need to adequately fund transit operations." To stop snowballing fare increases and future financial trouble for the agency, New Jersey Transit needs dedicated sources of operating funding.

THE FACTS

- NJ Transit is the largest transit system in the country whose operations are not supported by a dedicated tax (see table, right). In NJ, state allocations for transit operations take place through annual appropriations in Trenton and are thus subject to budgetary and political pressures. It makes long term planning extremely difficult.
- Operating costs have risen by more than \$500 million since 2000. Yet, the state's allocation to the system has risen only \$152 million.
- For several years, capital funds intended to purchase buses and trains and fix stations and tracks have instead been used for day-to-day operations (see chart, right). That no way to run a railroad. In fact, it's a recipe for long-term decay and decline.
- If NJ Transit raises bus and train prices, average fares will have increased more than 60% since the last time New Jersey raised its gas tax in 1988.

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Everyone but NJ Pays for Transit with Dedicated Taxes

Transit Agency	Dedicated Taxes		Total Operating Funds	% of Operating Funds from Dedicated Taxes
	State	Local		
MTA New York City Transit	\$858	\$179	\$4,796	21.6%
Los Angeles County Metropolitan Transportation Authority	\$13	\$595	\$1,135	53.5%
Massachusetts Bay Transportation Authority	\$624	\$0	\$1,138	54.8%
Southeastern Pennsylvania Transportation Authority	\$193	\$4	\$903	21.8%
Chicago Transit Authority	\$0	\$277	\$1,021	27.1%

All figures from 2005 Federal Transit Administration data, dollar amounts in millions.

NJ Transit Forced to Divert Construction and Equipment Funding to Operations

