

TRI-STATE TRANSPORTATION CAMPAIGN



**Testimony of Janna Chernetz, NJ Advocate at Tri-State Transportation Campaign
Senate Budget Committee – FY2015 State Budget
Burlington County Institute of Technology (BCIT), Westhampton, NJ
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Good afternoon Chairman Sarlo, Vice Chair Stack and members of the Senate Budget Committee.

My name is Janna Chernetz and I am the New Jersey Advocate for the Tri-State Transportation Campaign, a non-profit policy watchdog organization working for a more balanced, environmentally friendly and equitable transportation system in New Jersey, New York and Connecticut.

New Jersey's transportation infrastructure is in trouble. Roadways, bridges, and transit need significant investment but there is no sustainable plan to raise revenue for transportation. This means new initiatives and projects such as bus rapid transit being studied in Bergen County or more bicycle and pedestrian infrastructure cannot be built. And successful and desired programs such as Safe Streets to Transit and Transit Village cannot expand. As such, we point out the following:

(1) Identify new and sustainable revenue sources for transportation this year Tri-State applauds Speaker Prieto's and most recently, Senator Lesniak's efforts get the conversation going on how to sustainably funding transportation in NJ, specifically, raising the gas tax. New Jersey's gas tax is the second lowest in the United States, hasn't been raised since 1988 and is inadequate to address the State's transportation investment needs. It generates roughly \$535 million in dedicated annual revenue for NJ's roads, bridges and transit, all of which goes to pay off debt. In fact, all of New Jersey' transportation revenues, \$970 million, are going to pay off past transportation-related debt as of June 2013.

New Jersey State Treasurer Andrew Sidamon-Eristoff recently stated that, "No money is being provided through the proposed 2015 budget to help the Transportation Trust Fund pay for road construction projects." Mr. Sidamon-Eristoff also stated the pillaging of PAYGO in 2013 to plug a general fund deficit was a "one time" deal. Clearly, this is a recurring action. In 2013, transportation funds were used to plug the General Fund deficit resulting in the State taking out an additional \$261 million in debt to fill the hole in the transportation capital plan. In fiscal year 2014, the State planned to spend \$375 million in Pay As You Go (PAYGO) funding, but ultimately this measure was replaced with a one-time shot of \$250 million from some crafty capital project planning and higher than expected proceeds for previous years' transportation bond sales.

And once again, this year's planned funding allocation of \$490 million will go to plug part of the general fund deficit. It is not clear how NJ will fill this transportation hole. There is currently not enough bonding authority with the TTFA to make up for the \$490 million. Under current statute, the TTFA "allows up to 30 percent of the Transportation Program Bonds that are permitted to be issued in a given year to be issued instead in a preceding fiscal year." This means that TTFA would only be able to bond \$1.023 billion in this fiscal year (\$735 million as

authorized for 2015 plus \$188 million borrowed from 2016) leaving over a \$300 million gap in this year's transportation program, while at the same time putting additional pressure on funding next year's plan.

In addition, the entire five year (2012-2016), \$8 billion transportation capital plan was financed using debt and the spoils from the cancelled ARC tunnel, which will run out in 2016. **There are no identified revenue sources to fund NJ's transportation needs beyond 2016.**

Governor Christie and the State Legislature must get serious about tackling the state's debt crisis rather than exacerbating it. Serious consideration must be given to increasing the gas tax. Despite the visceral opposition many have to an increase, a quick calculation shows that a modest 10 cent gas tax increase could generate an additional \$500 million in annual revenue and cost the average NJ motorist \$53 a year/\$4.35 month. According to the American Society of Civil Engineers, NJ motorists spend \$600 a year on car maintenance due to the poor condition of NJ's roads and bridges. Which is a better value for NJ residents: \$53 a year or \$600 a year?

While the gas tax is one potential revenue source, there are others. All options must be considered. The State Legislature should convene a hearing to discuss the menu of options to fund transportation. Supporting good transportation infrastructure must transcend partisan politics as it has in Pennsylvania with the passage of bipartisan legislation to increase the gas tax to fund transportation. Governor Jack Markell of Delaware also recently announced his administration's support of an increase in DE's gas tax.

(2) Target investments to existing roads and bridges and refocus the NJDOT on its Fix-it-First Policy

According to a report from T4 America, over 11 million drivers cross structurally deficient bridges in New Jersey every day. Last year, NJDOT Commissioner Jim Simpson stated that 41 percent of NJDOT pavement was not in acceptable condition and that number may actually be higher now given this year's winter.

Every year, Tri-State's prepares an analysis of the NJDOT Capital Program and our analysis shows that NJDOT is slipping away from its fix-it-first policy. Almost a quarter of the dollars in NJDOT's portion of the 2014 Capital Program are dedicated to projects that maintain or fix New Jersey's existing roads and bridge infrastructure. This is a drop from the 2013 Capital Program, where close to 30 percent of the dollars went to road and bridge maintenance projects.

Roughly 10 percent of NJDOT funds are being spent on projects that expand the State's road and bridge network, contributing to traffic congestion and roadway wear-and-tear. Road expansion and new road capacity projects reduce funds that can be used on transit, road and bridge repair, and bicycle and pedestrian infrastructure. .

(3) Provide Adequate Funding for NJTransit. According to the American Communities Survey, almost 11 percent of New Jersey workers 16 years and older use public transportation to get to work and approximately 12 percent of households lack access to a vehicle. In Newark alone, the states' largest city, approximately 40 percent of household do not own vehicles. As such, NJTransit provides a large role in transportation choice for NJ residents. NJ Transit saw its second highest ridership in 2013 with 266 million riders. (2008 had higher ridership as there was a spike in gas prices and this was before service cuts and fare hikes were enacted).

Unfortunately, NJT's operating expenses outpace operating revenues forcing the agency to transfer dollars from its capital budget to meet its operating needs year after year. This is an unsustainable funding scheme that makes it difficult for NJ Transit to plan for the years of growth ahead as well as maintenance of current service and infrastructure. Not counting weather related service interruptions and Super Bowl snafus, NJTransit riders have experienced significant delays so far in 2014 due to mechanical problems and maintenance issues. In fact, the delays experienced in February were the worst in 18 years for NJT.

In addition, with ARC's cancellation in 2011 and Amtrak's proposed Gateway tunnel completion far into the future, increasing support for bus transit will allow for an increase in much-needed Cross Hudson capacity in the short term.

Legislators must find new funding solutions to help ensure NJ Transit can maintain their existing fleets and keep pace with the rising demand.

(4) Increase funding for programs that reduce pedestrian and bicycle fatalities statewide. Last month, Tri-State released its annual report on the Most Dangerous Roads in the region. For the sixth year in a row, Route 130 (Burlington Pike) was the most deadly road for pedestrians; 12 pedestrians were killed on it from 2010 through 2012. US-30 (White Horse Pike) in Camden County had 9 fatalities and Route 1 in Middlesex County had 7 pedestrian fatalities during this period. In total, our analysis found that 442 pedestrians were killed on New Jersey's roadways during the study period. The FHA also identified NJ as a focus state due to the high number of pedestrian crashes compared to the national average.

New Jersey's roads are equally treacherous for bicyclists in New Jersey. According to analyses conducted by Tri-State, over 27,000 bicycle-vehicle crashes took place in New Jersey from 2001-2011 with 141 bicycle fatalities.

These are preventable deaths.

Bicycle and pedestrian projects receive 2.8 percent of the dollars in the 2014 NJDOT portion of the Capital Program. While bicycle and pedestrian improvements comprise only a small share of the Capital Program, NJDOT has slightly increased its commitment to these projects since the previous 2013 Capital Program, where 2.1 percent of the dollars went to these kinds of projects. Nonetheless, a mere 9 percent of all road and bridge projects include a bicycle or pedestrian component in current Program.

Repair and reconstruction of roads and bridges damaged by Sandy provides an excellent opportunity to include pedestrian and bicycle amenities. This includes the \$200 million federally funded reconstruction of RT35 in Ocean County. While this project has been described as a Complete Streets project, it lacks continuous, exclusive bicycle facilities and sidewalks throughout the project area. The addition of this infrastructure also enhances the state's resiliency by supporting alternate modes of transportation. In instances such as Route 35, adding dedicated bike lanes will also boost shore tourism.

Local Aid funding must be maintained at a level of at least \$200 million, to help municipalities maintain their roads. Local Aid projects will help the state meet its goal of building 1,000 new miles of bike lanes, and allow municipalities to develop safer walking routes along Main Streets and help revitalize downtowns.

The popular **Safe Streets to Transit** program, which was once slashed to \$500,000 in 2012, was returned to \$1 million in 2013 and maintained that same funding level in 2014. However, less than 10% of applications are awarded funding. As such, funding for the program is woefully inadequate and Tri-State urges an increase in funding to \$2 million in this fiscal year.

Tri-State urges the NJDOT to increase funding for the nationally recognized **Transit Villages** program to at least \$2 million annually from its current \$1 million. The Transit Village program has helped make New Jersey a national leader and role model in promoting sustainable, transit-oriented development by helping towns develop where it makes the most sense: near rail and bus hubs. The program is an overwhelming success. There are currently 27 designated Transit Villages and several municipalities in the process of seeking designation.

Thank you.