

NJ Transit Fare Hearing Lackawanna Coalition Statement

5 March 2024, Hackensack

Let Everyone Be Heard!

Fitting 10 hearings into 1 week is sort-of impressive—I can't imagine that much else will be done by those attending—but ending the comment period on the day of the last hearing does not give folks a chance to respond to what they hear on Friday. (In fact, my comments have been influenced by *New Jersey Monitor's* report of the hearing in Cherry Hill on Monday.¹) Not having a way to participate remotely by video (and most people know Zoom, not Teams), or even by telephone, makes it difficult for many people to attend any hearing. (We do appreciate both daytime and evening hearings as well as geographic distribution, and I was glad to see that directions to the Hackensack hearing included mention of the #165 bus stopping near the county complex.)

Well, O.K., but. . .

We at the Lackawanna Coalition have discussed this proposed fare increase at length, and we have some concerns and expectations that condition our tentative approval.

The last fare increase was back in 2015, almost a decade ago, and since then inflation has been 31%. From that perspective, a 15% increase could almost seem to be a bargain. We doubt that an ongoing 3% annual increase will be enough to keep up with both inflation and NJ Transit's spending once the federal COVID relief money is gone, and thus we commend Governor Murphy for proposing a corporate tax dedicated to funding NJ Transit. We hope that, together with the fare increase, the new transit fee will provide, for the first time, a much-needed stable source of funding for NJ Transit. We hope that it will go a great way toward eliminating the "fiscal cliff" that could otherwise lead to steep cuts in service in 2026.

Expiration Date Is a Bad Idea

One proposal that we absolutely oppose and that would make life more difficult for riders who plan in advance is the suggested 30-day expiration date for tickets. Particularly with such a short duration, those who rely on paper tickets will have to monitor closely how many tickets they can purchase at one time. An advance purchase is similar to what the insurance industry calls "float"—money that NJ Transit holds, but need not spend right away. For those who qualify for reduced fares, buying relatively large quantities cuts down visits to ticket agents, a benefit even if the entire cost is all up front. This is especially helpful for those who have mobility issues or don't often have time to wait on line. Also, when folks get a windfall, such as a tax refund, they can buy in bulk and you can hold their money; how is that a bad thing? There is no reasonable expectation of the system being disrupted by a mass influx of ticket use or purchases on any one day (even tax refunds do not all arrive together). Thus, we see no value to putting a 30-day expiration date on these tickets, and encourage you to strike that provision from your plan.

Minimizing Internal Expenses

NJ Transit's spending since 2015 has gone up about 1/3 faster than inflation: not 31%, but 42%. We would like to understand that overage. Kevin Corbett talks in vague generalities about finding internal expenditure cuts and new revenue sources. We are painfully aware that providing service is an "internal expenditure", and we see NJ Transit's internal costs increasing, not decreasing, in-

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cluding the expensive new headquarters lease, complete with \$54 million in moving expenses and an additional \$300,000 each year for *almost* as many parking spaces as you have today. Avoiding repairs to your current building now sets you up for vast future increases in rent, as your own consultant's report points out—yet you chose the more expensive of the two properties analyzed. Is that the practice of an agency in distress?

The Future: Rethinking Dedicated Funding & Discounts

Alone, 3% annually will not prevent the disaster coming in Fiscal 2026, so we appreciate the governor's restoration of the recently expired corporate tax surcharge as a corporate transit fee, affecting only 20% of the businesses that paid the earlier surcharge. We expect these funds to go into a "lockbox" to be used *only* for transit—please no repeats of the Clean Energy Fund diversion.

Advocates have been calling for dedicated funding for NJ Transit for years, even decades, and this is the first such attempt. Meanwhile, across the river, the MTA has multiple streams of dedicated revenue; New Jersey must do better for our agency. We'd like to see the board and staff advocate for increased budgetary funding—we are glad to help you make the case. In fact, we are registered to testify at state budget hearings later this month. Governor Murphy has promised no service cuts and no further increases in fares—we expect to hold him to those promises.

We see benefits to strategically-planned discounts; transit provides a public benefit and almost always needs subsidies, so pricing is, in effect, a policy choice. We encourage you to explore discounts that encourage off-peak riding as well as family discounts (creating future riders)—monthly passes enable people to use transit as a main means of transportation, potentially taking cars off the road—improving pollution and quality of life in urban areas.

Separate Highways and Transit

We have another long-standing concern. The Department of Transportation is very highway- and driver-centric. This may have been more reasonable in the past, when air pollution and climate change were not revealing how deadly has been the almost-universal car culture, but it is well past time for the Highway division and NJ Transit each to have its own chairperson. We rarely argue for adding a layer of bureaucracy, but of necessity the modes of transportation fight over a set number of state and federal dollars, and Transit deserves its own representative and a neutral commissioner.

Collect What You Are Owed

A final thought—our members have commented on fare collection, or lack thereof. Everyone enjoys getting a free ride now and then, of course, but not at the expense of fiscal hardship. Collection being missed too frequently is a problem—one person commented specifically in regard to light rail, others have mentioned sometimes seeing an apparent reluctance to accept cash on trains. Ensuring that all riders pay their fair share would help your very low fare-box recovery rate, and keep fares as low as practical. It is simply good business!


Chairperson

¹<https://newjerseymonitor.com/2024/03/04/at-first-fare-hike-hearing-nj-transit-urged-to-take-new-tack/>