

NJ Assembly Budget Hearing

Lackawanna Coalition Statement

20 March 2024

**Lackawanna
Coalition**

LC Budget Statement, FY2025

In our last two budget statements, the Lackawanna Coalition warned about the impending fiscal cliff for NJ Transit. For Fiscal Year 2025, NJT has recognized a budget gap of \$119 million. In order to fill the gap, NJT has proposed a 15% fare increase as well as a continuing 3% increase in the coming fiscal years. NJT farebox revenue is down approximately 20% from prepandemic levels. For Fiscal Year 2024, NJT projects \$785.3 million in farebox revenue, just slightly better than the budget for the farebox revenue, \$776.3 million. (cf NJT Board Meeting 3-12-2024 Agenda page 38).

We have made a statement on the fare increase at the hearings conducted by NJT during the first week of March 2024 (in both Hackensack and Newark). For the legislature's budget hearings, we are asking your help on specific proposals by NJ Transit.

“Bridging the Gap” (cf NJT Board Meeting 3-12-2024 Agenda page 36)


Revenue Measures to “Bridge the Gap” (\$158.6m)

- ❑ Enhance Fare Enforcement - \$3m
- ❑ Increase Advertising & Sponsorship - \$3.5m
- ❑ Recognize Investment Income - \$3.5m
- ❑ Eliminate FLEXPASS - \$4m
- ❑ Increase Forecasted Farebox Revenue (Increased Ridership) - \$9m
- ❑ Increase Ridership (Marketing) - \$4m
- ❑ 30-day ticket expiration - \$25m

We ask the legislature to require NJ Transit to clarify their reasoning that these seven measures would actually eliminate the gap of \$158.6 million in the budget for Fiscal Year 2025. We would like to see an analysis of these proposals; we doubt that they will do as much as projected. How did NJ Transit arrive at these numbers?

We particularly want the legislature's help on the last proposal, making tickets expire after 30 days. This proposal would make life more difficult for riders who plan their ticket purchases in advance. Particularly with a time limit as short as 30 days, those who rely on paper tickets will have to monitor closely how many they can purchase at one time. An advance purchase is similar to what the insurance industry calls “float”—money that you are holding, but on which you do not have to act; it is money that you need not spend right away. Simply put, NJT gets money immediately upon purchase, regardless of when the ticket is actually used. For those who qualify for reduced fares, buying relatively large quantities cuts down visits to ticket agents, a benefit even if they must spend more up front. The loss of this benefit to riders is unlikely to help NJ Transit's budget; it is more likely that the agency will lose the investment income from advance payments. We see no real value to putting in a 30-day expiration.

Lastly, are pleased at the halt to gutting OPRA, our Open Public Records Act. OPRA is vital to keeping transparency in government agencies, especially New Jersey Transit.


Legislative Director, Lackawanna Coalition