

Trouble Ahead? Tracking NJDOT's Priorities



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Executive Summary

New Jersey's draft fiscal year 2009 capital program provides \$3.3 billion in funding for the state's road and transit systems, with approximately \$1.98 billion going to NJDOT and \$1.29 billion set aside for transit investments.

The Tri-State Transportation Campaign has closely analyzed the NJDOT portion of the capital program, comparing funding levels across project types, and examining trends in past and projected future spending priorities.

From this analysis, several themes have emerged:

1. **NJDOT continues to prioritize road and bridge maintenance**, dedicating 44 percent of the FY2009 capital spending to rehabilitation, repair, resurfacing, and replacement projects. NJDOT's prioritization of "fix-it-first" projects is critical given the state's pressing infrastructure needs — the Garden State boasts the third worst road conditions in the nation.
2. **Spending on capacity expansion projects is projected to increase** in coming years, threatening to undermine the state's "fix-it-first" goals. While FY2009 funding for expansion projects remains a sliver of the total capital program at just 1.5 percent, by 2011 the share of total funding slated for widening and new roads is projected to grow to nearly 8 percent.
3. **Progress on smart growth projects has stalled**. Only a handful of the 17 New Jersey Future in Transportation (NJFIT) smart growth projects in the hopper are slated to receive funding according to the capital program. Even more troubling, two projects originally tapped for smart growth improvements have been transformed into major widening projects, all but abandoning efforts to link land use and transportation and find a more sustainable congestion relief solution.
4. **Funding for bicycle and pedestrian projects has slipped**, with the total amount dedicated to those improvements falling 14 percent and the share of funding declining 12 percent to just 1.5 percent of the total. Though NJDOT remains a national leader in spending on bicyclists and pedestrians, sustained funding is critical if the state hopes to continue to reduce bicyclist and pedestrian deaths.

Recommendations

- Resurrect legislation mandating the NJDOT to invest in fix-it-first projects, and legislate a four percent cap on investment in capacity expansion projects.
- Take a hard look at proposed expansion projects and call off projects that won't offer sustainable congestion relief.
- Create a consistent fix-it-first policy between all state transportation agencies, including NJDOT and the New Jersey Turnpike Authority.
- Boost funding for the state's NJFIT program to ensure continued progress on smart growth projects.
- Increase funding for bicycle and pedestrian projects and target it to places with the highest number of pedestrian and bicyclist injuries and deaths.

Introduction

New Jersey state law requires that the New Jersey Department of Transportation issue an annual capital program describing all of the capital investments planned by NJDOT and NJTransit. Federal and state funding for NJDOT and NJTransit projects, as well as for counties and municipalities, is allocated through this capital program. The capital program documents provide a wealth of detailed information on each planned project, including route information and descriptions, precise location, funding sources, sponsoring agencies, and project type.

For the first time ever, the FY2009 capital program offers a ten-year look at planned NJDOT and NJTransit projects. While details on out-year projects are very preliminary, the long-term scope of the capital program is intended to help municipalities plan for future projects.

Given the preliminary nature of the out-year projects, the Tri-State Transportation Campaign focuses the bulk of its capital program analysis on fiscal year 2009 (July 1, 2008—June 30, 2009). By examining trends in spending patterns and monitoring the progress of specific projects, Tri-State can track the state's transportation investment priorities and ensure that New Jersey lives up to its reputation as a national model for progressive transportation policy.

Our analysis of the 2009 capital program is grouped around four principle themes: 1) continuing prioritization of road and bridge maintenance; 2) a looming shift toward capacity expansion; 3) slowed progress on smart growth programs; and, 4) slipping spending on bicycle and pedestrian projects and programs.

The proposed 2009 New Jersey Transportation Capital Program provides \$3.3 billion for the fiscal year. The program allocates approximately \$1.98 billion for NJDOT, a slight decline in funding over the previous year, but still a more than 40 percent increase in funding since 2003. The remaining \$1.29 billion is slated for NJ Transit investments.

NJDOT Continues to Prioritize Road and Bridge Maintenance

Altogether, the \$1.98 NJDOT program continues to prioritize road and bridge maintenance. But even so, the full program “falls far short of meeting New Jersey’s documented needs for infrastructure renewal,” according to the NJDOT introduction to the plan. Indeed, the companion “Statewide Capital Investment Strategy,” which summarizes the state’s transportation investment goals, identifies more than \$7 billion in annual infrastructure needs.

Fix-it-first investments since 2003 have led to a decline in poorly rated bridges and helped keep road conditions from worsening. From 2003 to 2006, the percentage of bridges rated as either structurally deficient or functionally obsolete fell from 36 percent to 35.7 percent. Improved data collection on roadway conditions obscures the state’s progress on giving drivers a safer and smoother ride — the percentage of lane miles in less than good condition jumped significantly from 2004 to 2005. But in the last year, that metric fell by one full percentage point, reflecting slow improvement.

Despite improvements, the most recent data from the Federal Highway Administration (FHWA), confirms that New Jersey must continue to prioritize infrastructure renewal. New Jersey continues to lag behind other states in the quality of its roads and bridges, ranking second worst (after Hawaii) in the share of roadway lane miles rated in “less than good condition.”

Likewise, the state ranks 9th worst in the percent of deficient bridges (17th worst in the percent of bridges receiving the more serious rating of structurally deficient).

Recognizing the need to repair and maintain the state’s existing roadway network, NJDOT allocates the lion’s share of funding to fix-it-first programs.

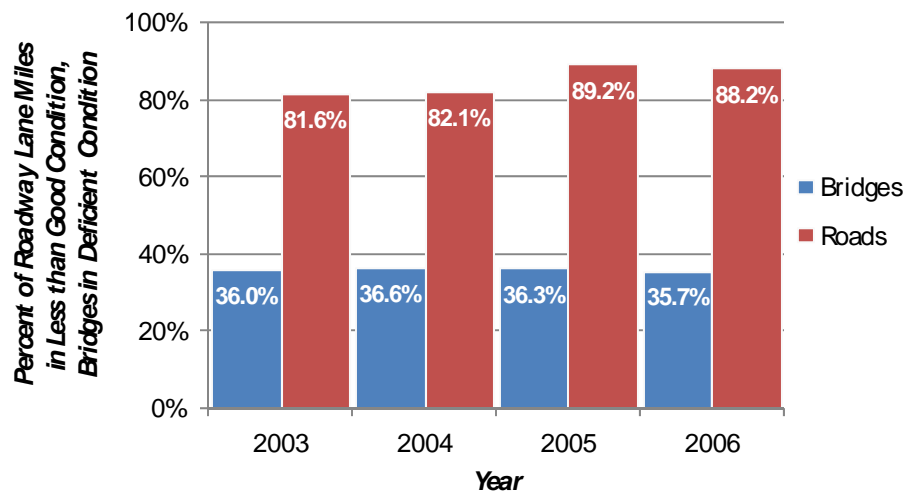
What is “Fix-It-First”?

Simply put, **Fix-it-First** policies prioritize funding the repair and maintenance of existing infrastructure over new construction and expansion. Regular maintenance, repair, resurfacing, reconditioning and reconstruction ensure the longevity of existing roads and bridges.

More traditional infrastructure investment strategies devote much of a state’s transportation budget to the construction of new and widened roads and bridges, which encourage sprawling development and exacerbate traffic congestion.

In an era of strained State budgets, fix-it-first policies are essential to control spending and ensure that taxpayer dollars are directed toward sustainable transportation investments.

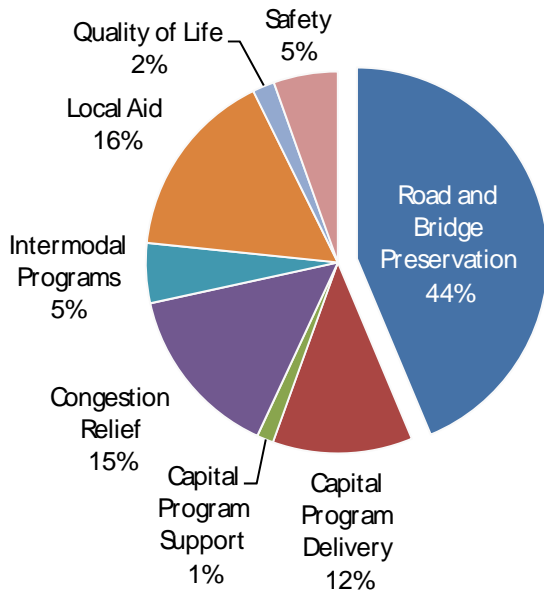
Trend in Road and Bridge Conditions



Source: NJDOT, NJ Transit. Proposed Transportation Capital Program—FY 2003- 2009

For fiscal year 2009, almost 44 percent of NJDOT funding is dedicated to roadway and bridge preservation.¹ Additional funding for infrastructure repair is provided under the local aid program.

Summary of Funding by Program Category FY2009

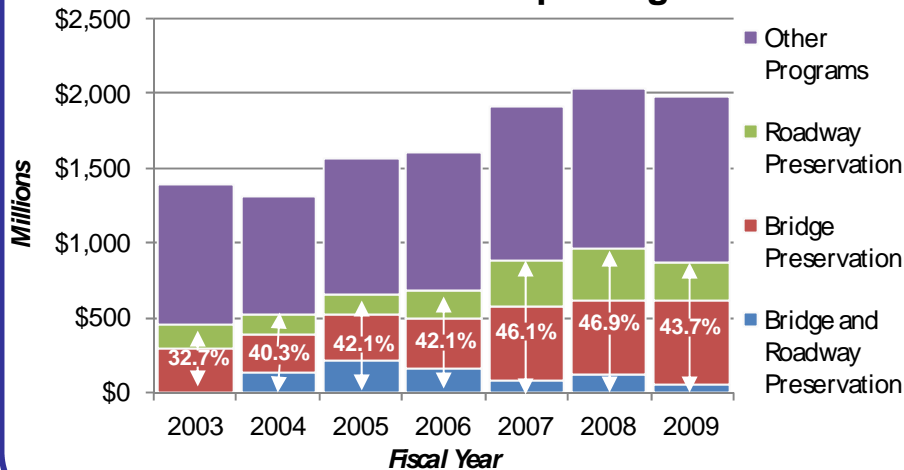


Source: NJDOT, NJ Transit. Proposed Transportation Capital Program—FY2009. March 2008.

This continues the recent trend of prioritizing road and bridge maintenance which began in the early 2000's after legislation passed by the state legislature and supported by the Tri-State Transportation Campaign required NJDOT to adopt a fix-it-first approach to infrastructure investment. Prior to that legislation, NJDOT had slated up to half of its annual capital program for widening projects and other capacity additions. The fix-it-first mandate was not included in the 2006 reauthorization of the Transportation Trust Fund, but NJDOT has continued to follow the benchmark set by Governor Corzine, freezing new capacity additions at four percent or less of the total program. Beginning in fiscal year 2004, road and bridge preservation programs comprised more than 40

percent of the total capital program.

Trend in Proposed Bridge and Roadway Preservation Spending



Source: NJDOT, NJ Transit. Proposed Transportation Capital Program—FY 2003- 2009

1. Road and bridge preservation is comprised of 3 program categories — bridge and roadway preservation, bridge preservation, and roadway preservation — and includes resurfacing, rehabilitation and replacement projects. Capital program delivery includes planning and administration, as well as corridor improvement projects. Capital program support includes contractor support and facilities and equipment. Congestion relief projects are intended to improve the flow of people and goods along a corridor. Intermodal programs include bicycle and pedestrian projects, transit, rail, goods movement, maritime and aviation. Local aid is provided to municipalities and counties for improvements on the local roadway network. Quality of life projects are designed to mitigate the environmental and societal impacts of transportation projects. Safety projects are those that enhance the safety of the traveling public on existing roadways.

Major Widening Projects Planned for the Future Threaten to Shift NJDOT Away from Fix-It-First

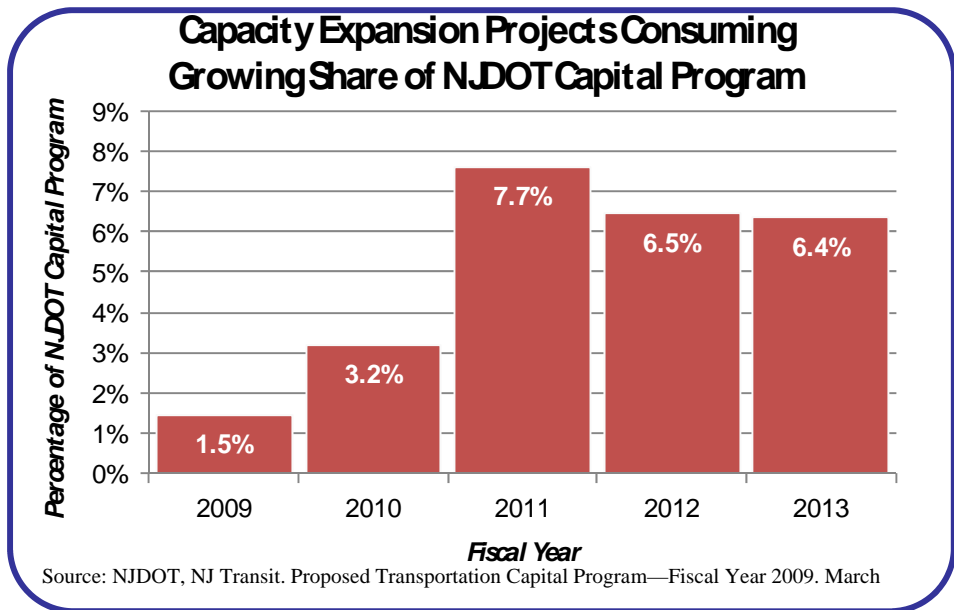
Only \$29.5 million, accounting for 1.5 percent of the total FY2009 capital program, is set aside for major widening projects (as defined by NJDOT), more or less in line with last year's program. That said, several major projects listed in the FY2009 plan which aren't designated by NJDOT as "expansion" would, in fact increase highway capacity. These include the new Tremley Point Connector Road, the Main Street Bypass in Sayreville and widening Halls Mill Road in Freehold to four lanes. Adding in these projects would bring capacity expansion spending up to \$71.6 million and more than double the percentage of funding dedicated to expansion projects (though the percentage still falls below the four percent benchmark).

Further, several of the project listings reveal ballooning expenditures in years beyond FY2009. And some widening projects are listed without any funds provided in 2009, but significant sums allocated in out-years. For example, the capital program includes a listing for widening several segments of Route 17 to six lanes along its entire stretch from Carlstadt to Paramus. No funding is allocated in FY2009 for this project, but the capital plan proposes to spend a total of \$282 million on the widening from FY2011 to FY2015.

In some years, capacity expansion projects, as defined by NJDOT, would comprise well over the established benchmark of four percent of the capital program. As early as FY2011, funding for the projects designated as capacity expansions by NJDOT would add up to nearly \$150 million, accounting for almost 8 percent of the estimated total NJDOT program. Obviously these out-year figures are estimates and may change in future capital plans. But they nevertheless suggest a worrying trend toward greater prioritization of road widening and capacity expansions.

Importantly, the largest proposed widening projects on the horizon for the state – the Turnpike, Garden State Parkway, and Atlantic

City Expressway expansions – are excluded from the plan altogether because they are New Jersey Turnpike Authority projects. These three widening pro-



jects alone are expected to cost as much as \$3 billion and would represent a very large chunk of the state's infrastructure spending.

Stalled Progress on Smart Growth Programs

NJDOT's NJ Future In Transportation (NJFIT) program takes an innovative approach to linking transportation and land use planning in several corridors around the state, seeking more holistic alternatives to road expansion by addressing the root cause of congestion—poor land use planning. Developed in 2003 in partnership with the Office of Smart Growth and other state agencies, NJFIT uses transportation funding as a carrot to encourage municipalities to engage in sustainable land use planning that reduces driving.

Of the seventeen projects in the NJFIT hopper, only five are slated to receive funding in FY09 according to the capital program, with an additional two receiving funding in later years of the ten-year capital program. Altogether, the capital program allocates just over \$18 million to NJFIT projects in FY09, comprising less than one percent of the total program. This is slightly down from the \$20.6 million in NJFIT project funding provided in FY2008. Just under \$482 million (2.5 percent of the total) is set aside for NJFIT projects across the full ten-year capital plan.

One important NJFIT project receiving funding in the coming fiscal year is the Route 29 project in Trenton, which will help transform the highway into a boulevard, allowing the City to utilize its waterfront for economic growth.

Unfortunately, two of the projects initially under the NJFIT umbrella are scheduled for widening in the 10-year plan. Both the Rt. 17 and the Rt.9 Lakewood/Toms River corridors were slated for smart growth congestion mitigation strategies, but have since changed tack in favor of a more traditional (and typically unsuccessful) widening strategy.



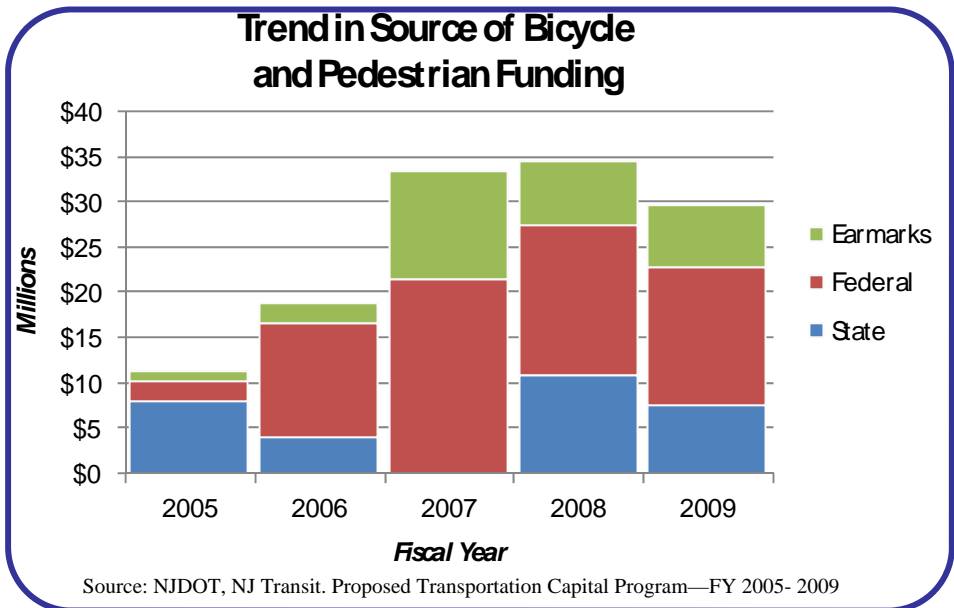
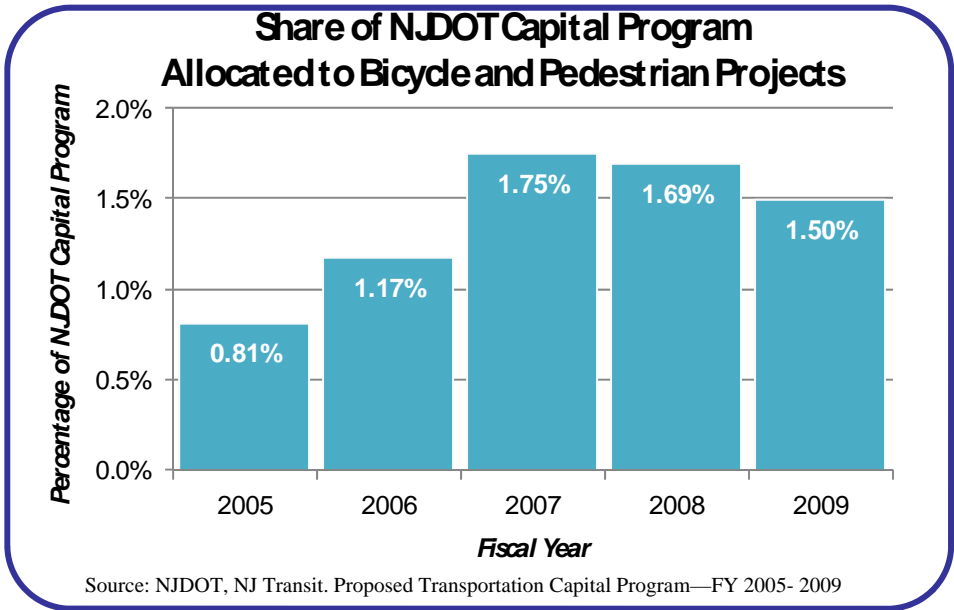
Rendering of proposed changes to Route 29

Funding Slips for Bicycle and Pedestrian Projects

New Jersey has significantly boosted spending for bicycle and pedestrian projects in the last five years, from just over \$11 million in FY2005 to nearly \$30 million in the latest capital program. As a percentage of the total NJDOT capital program, bicycle and pedestrian projects have grown to 1.5 percent from 0.8 percent in FY2005. Still, the FY2009 capital program shows bicycle and pedestrian funding slipping somewhat from previous years, both in absolute dollars and as a percentage of the total program. FY2009 funding for bicycle and pedestrian projects is 14 percent lower than in FY2008, and the share of capital dollars dedicated to bicycle and pedestrian projects has fallen by just under 12 percent.

The 2005 federal transportation funding bill, SAFETEA-LU, included two new programs — Safe Routes to School (SRTS) and the Highway Safety Improvement Program (HSIP) — which have bolstered federal support for bicycling and walking projects and programs. These funding programs are in addition to the federal Congestion Mitigation and Air Quality Improvement (CMAQ), Transportation Enhancements, Recreational Trails, and Planning programs available for bicycle and pedestrian projects. Federal earmarks also provide significant sums for bike and pedestrian projects.

NJDOT seemed to initially respond to the influx of federal bicycle and pedestrian funding by cutting state



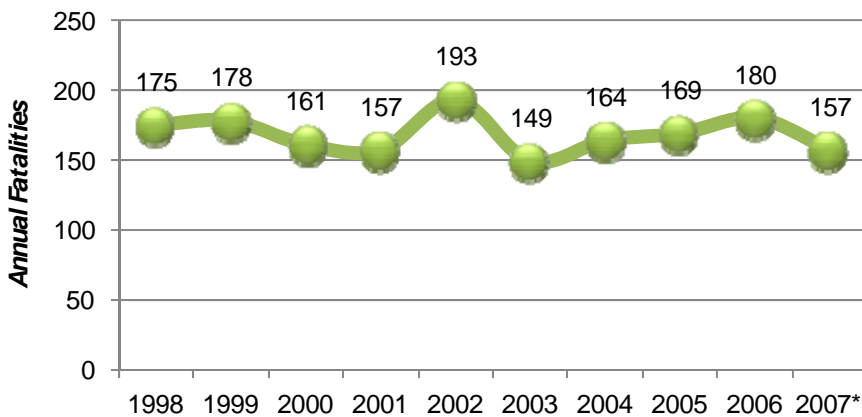
support to bike and pedestrian projects. The FY2007 capital program, while providing a record \$33 million in bicycle and pedestrian funding, included no state funding for the projects. Fortunately, state support for bicycle and pedestrian projects resumed in the FY2008 capital program and remains robust (albeit slightly lower) in the FY2009 program.

New Jersey performs better than most in taking advantage of flexible federal funding (including Surface Transportation Program and CMAQ funds) for bicycle and pedestrian projects. Still, only a sliver of the federal funding that could be utilized to improve the state’s bicycling and walking environment is devoted to that purpose.

Together, New Jersey’s spending of state and federal dollars on bicycle and pedestrian projects is greater than most other states. But the demand for bicycle and pedestrian funding has far outpaced New Jersey’s spending. A 2005 report from the Tri-State Transportation Campaign, “Skimping on Sidewalks,” found that municipal and county demand for bicycle and pedestrian funds exceeded state spending by a ratio of 10-to-1.

Demand for bike and pedestrian money makes sense given the states traffic fatalities. New Jersey continues to rank among the worst states in terms of the share of traffic deaths comprised by bicyclists and pedestrians (22 percent according to preliminary 2007 data from the New Jersey Department of State Police). Though preliminary 2007 data show a 13 percent decline in bicycle and pedestrian deaths from 2006, the state has been unable to make sustained progress on reducing fatalities.

Trend in Bicyclist and Pedestrian Deaths



* Preliminary data

Source: NJ State Police, Fatal Accident Investigation Unit. YTD Crashes and Fatalities by Person Type. January 2008.

Recommendations

- **Resurrect legislation mandating the NJDOT to invest in fix-it-first projects, and legislate a four percent cap on investment in capacity expansion projects.** This important mandate was not included in the 2006 reauthorization of the Transportation Trust Fund, but would ensure the sustainability of future road planning and maintenance. Although current State spending is in line with these figures, it is imperative that fix-it-first and capped expansions are institutionalized to prevent future retrogress.
- **Take a hard look at proposed expansion projects and call off projects that won't offer sustainable congestion relief.** The state should send large road expansion projects, such as the expansion of Route 17, the NJ Turnpike, the Garden State Parkway, back to the drawing board.
- **Create a consistent fix-it-first policy between all state transportation agencies, including NJDOT and New Jersey Turnpike Authority.** Fix-it-first guidelines must be ubiquitous to be effective. Incongruous policies send the wrong message about state priorities and allow for unbalanced growth in key corridors.
- **Ensure that smart growth projects linking transportation and land use—such as those in the NJFIT program—continue to receive adequate funding, and be the central policy for transportation agencies in New Jersey.** Programs such as NJFIT and the Transit Village program promote smart growth, economic development, and a sustainable transportation infrastructure.
- **Increase funding for bicycle and pedestrian projects and target it to places with the highest number of pedestrian and bicyclist injuries and deaths.** Municipal and county demand for bicycling and pedestrian funding from the state far exceeds current funding levels. The state needs to boost bicycling and pedestrian funding so that it can meet at least half of the funding requests. Further, the state should direct funding to the places where pedestrian and bicyclist injuries and fatalities are concentrated — typically in urban centers with high levels of foot and bicycle traffic.



The Tri-State Transportation Campaign is a non-profit policy and advocacy organization working toward a more balanced, transit-friendly, and equitable transportation system in New Jersey, New York, and Connecticut.

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