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TRENTON – Billions of dollars are spent each year building and maintaining a New Jersey road system that, nevertheless, is riddled by congestion, crumbling surfaces and outdated designs. Now policymakers in both Trenton and Washington are at a "Y" in the road, with big implications for our pocketbooks.



At both the state and federal level, such infrastructure investments face uncertainty, with major spending programs expiring by early summer. A possible change in federal direction — the White House in recent days has been touting a new spending scheme — comes at a delicate juncture for New Jersey.

DATA: New Jersey spends more in highways than nation

New Jersey, which is considering hiking its gasoline tax, has traditionally fared poorer than most states in securing money through the Federal Highway Trust Fund. In recent years, however, only a handful of states have done better than New Jersey in retaining or even boosting such Washington support.

A few state lawmakers have suggested that New Jersey lean more on federal aid to bankroll road and rail construction, rather than pursue a state-based solution that could include raising the 14.5-cents-a-gallon state gasoline tax. Skeptics of that approach say there is little chance that Congress is going to open the spigot.

In recent days, Vice President Joseph Biden and Transportation Secretary Anthony Foxx have been on a four-day, five-state bus tour touting a White House initiative to spend nearly \$80 billion a year on road and transit projects over the next six years — considerably more than the \$50 billion spent annually.

But Washington already spends more on road and transportation projects than it collects from the 18.4 -cents-a-gallon federal gasoline tax, which is unchanged in 20 years. How the White House and the GOP-controlled Congress, which agree on little, would pay for increased funding — or even sustain existing funding — is uncertain.

"Washington isn't going to do anything. And they haven't in a whole lot of years," said state

N.J.'s recent uptick in federal highway aid in jeopardy

Michael Symons, @Michael Symons Sunday, February 22, 2015

New Jersey is one of the few states where federal highway funding has increased slightly in a time of austerity. Even with that, most states fare better. And the future of federal aid is murky.

Senate President Stephen Sweeney, D-Gloucester. "So that leaves us."

TRIP, a Washington-based transportation research group funded by insurance companies, labor unions and construction-related businesses, <u>says</u> 35 percent of roads in the state are in poor condition and that 36 percent of bridges need replacement, repair or improvement, including 10 percent with structural deficiencies. Funding such a backlog is a major worry. The federal trust fund has been surviving on temporary extensions and is due to expire at the end of May.

"The challenging point for New Jersey and all the other states is that we don't know how long the next federal highway bill will be for," said Will Wilkins, TRIP's executive director. "Basically what's happening at the federal level, the Federal Highway Trust Fund's running out of money just as the Transportation Trust Fund in New Jersey's running out of money. What's needed is just an increase in the investment at both the federal and state level."

In 2013, aid from the Federal Highway Trust Fund amounted to nearly \$131 for every resident of New Jersey, which ranked 30th among the states.

That showing reflected a marked improvement. Ten years earlier, New Jersey ranked 40th in per capita highway funds, at \$93 per person.

Between 2008 and 2013, only three states – New York, Kentucky and Vermont – registered bigger percentage increases in per-capita highway funding than New Jersey.

Overall aid to New Jersey from the Federal Highway Trust Fund climbed from \$803 million in 2003, to \$1.16 billion in 2013. That increase, 45 percent, was the 11th highest nationally. Adjusted for inflation, the increase would be nearly 15 percent, equal to \$148 million.

Much of that increase happened between 2003 and 2008. Since 2008, annual federal highway funding to New Jersey is up by 7 percent. Adjusted for inflation, it has been down 1.2 percent – but only New York and Alaska have seen increases over the last five years, accounting for inflation. New Jersey's growth in highway funds ranks sixth nationally over the last five years.

In more recent years, the rankings look even better. Only two states in the country increased their federal highway aid in both 2012 and 2013 – Florida and New Jersey. Percentage-wise, the only state to increase its funding more between 2011 and 2013 was New York.

"Expanding the amount of federal dollars that we receive is clearly one of the things that we have to continue to push," said Sen. Jennifer Beck, R-Monmouth. "We do get a nice amount of federal money, but it really should be more, in light of the amount that New Jersey contributes to the federal government."

Going back to the establishment of the <u>Federal</u> <u>Highway Trust Fund</u> in 1956, only 10 states have

seen a smaller return on the taxes, fines and penalties paid into the fund than New Jersey. New Jersey generally gets shortchanged in its return on federal funding because as a wealthy state its residents pay more in taxes than the state gets back for programs.

Overall, New Jersey receives 61 cents in return for each dollar in taxes it sends to the federal government, says <u>a resolution</u> advanced this month by the Senate Transportation Committee. The balance is better than that on highway funds, in part because Congress has added money into the highway fund that doesn't come from taxes, meaning nearly all states get more than \$1 for each \$1.

"We are a corridor state. We are an importexport state. Everybody travels through our state, and we get about the least amount of money back on every dollar we send," said Assemblywoman BettyLou DeCroce, R-Morris, the lead sponsor of a resolution that also has 25 other Assembly sponsors urging Congress to give New Jersey more highway funds. "So we should receive more."

Democrats say more money from Washington would be great but isn't realistic. Even if such funds were forthcoming, states are generally required to put up matching funds.

"Hope's great, but results matter more. Changing the formula that the feds use, I've been hearing that for 20 years," Sweeney said. "It's not happening, especially with this Congress and this U.S. Senate. What has been accomplished? Where have you seen the president where he can get this Congress to go along with anything?"

"We should advocate for a better federal funding formula," said Assemblyman John Wisniewski, D-Middlesex. "But every federal funding formula requires a state participation, a state match. We don't even have the money for that. So if our fix for the Transportation Trust Fund is, 'We're going to get the feds to pay for it,' unless we come up with our own money, that's just not going to happen."

It's not clear how the state would fund its portion. If it was done entirely through higher gax taxes, that could amount to as much as 25 cents a gallon. If you drive a car that averages 25 miles a gallon and drive 350 miles a week, the equivalent of 18,000 miles a year, that would amount to about \$180 a year.

The latest signal from the state Department of Transportation connected to the state's trust fund troubles came last week, when the state froze \$25 million in bridge funding for pending and future local projects. Every county receives at least \$1 million a year from the frozen fund.

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Where are New Jersey's worst roads and bridges? Are you willing to pay more for the promise of a better commute? Let us know by commenting on APP.com.