

Under the Dome with DeAngelo

*An Update on the New Jersey State Government by Assemblyman Wayne DeAngelo
(August 2016)*

We pick up right where we left off last month Under the Dome with the most pressing economic issues still dominating all statewide activities. In recent weeks, the need to replenish the state's Transportation Trust Fund continued to be front and center.

As a reminder: New Jersey has the sixth highest level of roadway congestion in the country. The combination of the 15th highest percentage of deficient bridges in that nation in need of repair and the fact that rural and urban roads ranking fifth highest in needs of repair in the country makes our need for funding dire.

The Transportation Trust Fund (TTF) became insolvent in August when funding at the previous levels was not authorized leaving funding for roads and public transportation services in jeopardy. Experts claim that the State will need approximately \$20 billion over the next 10 years to cover the costs of transportation projects. No one wants to arbitrarily increase any tax, including the gas tax. However, there is agreement among leaders across the state from the Governor to lawmakers to mayor to business leaders and the workforce community that an increase in the gas tax will unfortunately be necessary to safeguard our roads and bridges. New Jersey, however, has the second lowest gas tax (at 14.5 cents per gallon) among any other state. The state tax has not been increased since 1988; the federal rate has not gone up since 1993. We also are only one of two states with completely full-serve gas stations.

While we have low gas prices in our state currently, the need for roadway improvements is taking a toll on our personal pocketbooks and middle-class jobs. The Pacific Institute for Research and Evaluation (PIRE) cited that poor roadways and bridges as the cause for approximately \$4.6 billion annually in related crashes in our state. That costs directly impacts the budget of every motorist in New Jersey.

I understand the concern of those who worry that a gas tax increase will not be used for transportation. I could not support any legislation that would not explicitly guarantee funding for the Transportation Trust Fund to the dedicated purposes of our roadways, bridges and public transit.

Furthermore, we must ensure that jobs linked to transportation projects are maintained and grown. Almost 2 million New Jersey jobs will fully depend upon an updated transportation infrastructure system: approximately 105,000 full-time jobs; more than 52,500 direct jobs in construction and related activities; and more than 52,000 jobs induced or sustained as a result of transportation construction services. This work would inject \$9.5 in annual economic activity with about \$5 billion in Gross State Product (GSP).

All of these jobs and economic activity, however, are stalled until an agreement can be reached on the best way to reauthorize the Transportation Trust Fund.

Additionally, publicly funded transportation projects are on-hold and will likely continue to be stopped into the fall months while the Governor is dug in and not willing to compromise on a plan put forth by the State Legislature.

The American Road and Transportation Builders Association estimates that the shutdown will cost the state economy \$9 million a week in unrealized economic gains. Middle-class workers connected to roadway projects are not working. Those who need to get to work are stuck in traffic because of suspended projects.

The stoppage has had a regional impact such as halting runway, pavement, lighting, signage and security fence improvements at Mercer County Airport. The work stoppage also has touched much-needed projects in every state in the 14th Legislative District, such as:

- Roadways in Hamilton Township including Whitehorse-Hamilton Road; South Olden Avenue.
- Roadways in Robbinsville Township including (part of) Route 130; Richardson Road; and Main Street sidewalk.
- Work on Probasco Road in East Windsor Township.
- Improvements to Grant Avenue, Hutchinson Street, Park Avenue, and First Avenue in Hightstown Borough.
- Beautification of Main Street and downtown in Cranbury Township.
- Improvements to Plainsboro Road in Plainsboro Township.
- Reconstruction of Emma, Cherry and John Streets and Ridgeview Road in Jamesburg Borough.
- Work on Monroe Township roadways and pedestrian projects in Monroe Township.
- Improvements to Maddie Avenue in Spotswood.

The stalemate also has an impact on those who rely upon public transportation. Reauthorization of the Transportation Trust Fund would provide \$582 million for NJ Transit. This would include \$172 million (to be paid over seven years) for 1,394 new buses. Additionally, \$66 million would be used for track, overhead wires, signals and electrical infrastructure upgrades on the Northeast Corridor train line.

Until an agreement can be reached, all of this comes to a screeching halt. We need to get our road, bridge and rail work back on track as soon as possible. It is not only a matter of public safety; it is a matter of economic importance in every corner of our state.

Next in priority for the State to tackle behind the Transportation Trust Fund has been the decision whether or not to place a question on this year's general election ballot to approve funding for the state's pension system. On August 8, the deadline to place the question on the ballot passed when the bill was not voted on by the State Senate.

The measure, Assembly Concurrent Resolution 109 identical to Senate Concurrent Resolution 2, would have asked voters to approve increased payments to the pension system on a fiscal quarterly basis. Annual payments would have been made as follows: at least 25 percent by August 1; at least 50 percent by November 1; at least 75 percent by February 1; and 100 percent by May 1.

Even though state employees have made their individual contributions routinely taken out of their salary, the pension system is short by \$43.8 billion because of more than a decade of underfunding in the State's share of funding. Annual state payments would have been increased from \$550 million to \$800 million to bring the fund to adequacy levels.

Opponents of placing the pension question up for consideration pointed to the unresolved Transportation Trust Fund matter. They did not believe that the ballot question would pass while the TTF or potential gas tax rate was not resolved. If the ballot questions failed, the State Constitution would have prevented it from going before the public for another three years. Unfortunately, since the Senate did not vote on the ballot question in time, it will now not be able to potentially go before the public again until November 2017 and the problems plaguing the pension system will continue likely for a long while to come.

While these large-scale problems face the State, I wish you all an easy and relaxing end to your summer and a smooth transition for families preparing to head back to school! I will see you back here next month Under the Dome!

Editor's Note: Assemblyman Wayne DeAngelo (D-Hamilton) represents the 14th Legislative District which includes parts of Mercer and Middlesex counties. He can be reached at AsmDeAngelo@njleg.org; phone (609) 631-7501; www.WayneDeAngelo.com; Facebook: Assemblyman Wayne DeAngelo; or Twitter: @DeAngeloLD14.