

**Statement on the Need to Renew and Replenish the Transportation Trust Fund  
And to Increase Local Aid  
Presented to the Assembly Transportation and Independent Authorities Committee  
By Honorable Timothy C. McDonough, Mayor of Hope Township and  
Past President, NJ League of Municipalities and  
Chairman, League Transportation Trust Fund Review Committee**

Good morning, Chairman Wisniewski and Members of the Committee. Thanks you for allowing Mayor Jackson and myself to present some testimony from the municipal perspective. We look forward to welcoming the Committee to our Annual Conference in Atlantic City on November 20. And we want to thank you and Speaker Prieto for giving New Jersey Mayors that opportunity to participate in these crucial discussions.

Just last year, the American Society of Civil Engineers reported that 651 of the 6,554 bridges in New Jersey (9.9%) are considered structurally deficient and 1,717 (26.2%) are considered functionally obsolete. That report also estimated that driving on roads in need of repair costs New Jersey motorists \$3.476 billion a year in extra vehicle repairs and operating costs – \$601 per motorist, and that 66% of New Jersey's roads are in poor or mediocre condition.

The State Department of Transportation (DOT) reports that New Jersey's municipalities are responsible for 64 percent (28,539 center line road miles) of our roads. County governments are responsible for another 22 percent (6,649 center line road miles). Together, local governments are responsible for 39 percent of our bridges. Local roadways and bridges carry about 55 percent of all traffic.

Local officials know that investments in these assets must be made. Failure to do so can compromise the safety of the public, the economic vitality of our communities and the security of our neighborhoods.

Consequently, the League had been involved in transportation funding debates for several decades, before we supported the creation of the Trust Fund and the Trust Fund Authority in 1984. We have remained involved, since then, in the periodic renewals of the Fund and in the annual appropriations process.

State-provided assistance through NJ DOT's Local Aid program is vital for local governments to fund necessary improvements and to relieve the property tax burden for residents. Annually, \$190 million from the Transportation Trust Fund is allocated to municipalities and counties for local transportation improvements. Approximately 100 county highway and bridge projects are

funded each year, as well as hundreds of municipal road improvements, such as resurfacing, rehabilitation or reconstruction and signalization. Typically, more than 400 municipalities receive funding for these projects each year.

The Local Aid program also provides state and federal funds for special local projects to improve safety, for safe pedestrian and bike routes, for town centers, transit villages and other non-traditional transportation enhancements. The local aid funding provided by the NJDOT and FHWA results in significant savings for counties and municipalities, and provides an alternative to the use of property taxes alone to improve local transportation. These projects, it must be noted, put people to work. This is always important to our State's economic health; but never more so than now, as we continue to rise from the recession.

As we see it, New Jersey faces three challenges, with regards to transportation capital funding. We must:

1. Reauthorize the Transportation Trust Fund to ensure adequate and reliable funding to meet State and local transportation infrastructure funding needs for the next 10 years.
2. Increase Local Aid funding to ensure adequate and reliable funding to meet all local transportation infrastructure needs.
3. Increase the municipal share of Local Aid funding and ensure fair funding for all municipalities.

In the first year of the Transportation Trust Fund (FY 1985), Local Aid funding represented almost 22 % of total Transportation Capital funding. By FY 1997, Local Aid was down to 16%. By FY 2004, we were down to 12%. In FY 2013, Local Aid represented 15% of the total. Average Local Aid funding over the first 29 years was just under 15%.

The need for investments in local roads and bridges has not decreased since 1985. No one has suggested that it will decrease in the future. So given the extent of the local infrastructure, and given the need for strong and steady investment in that infrastructure, we will call for assurances that Local Aid will represent, at a minimum, 25% of annual Transportation Capital spending. And we will call for adjustments in funding, to account for the effects of inflation.

But first, we need to focus on the initial challenge. The Transportation Trust Fund needs to be replenished, so that it can provide adequate and reliable capital to meet State and local needs, now and in the future. For that reason, the League of Municipalities has joined the "Forward New Jersey" coalition. We are anxious to assist any and all efforts to revitalize the Transportation Trust Fund.

We welcome your effort to prioritize New Jersey's transportation funding, and to put our State's economic future on solid footing. Without bold action on this matter, New Jersey cannot move forward.