



**Proposed Transportation Capital Program for  
Fiscal Year 2012  
Assembly Budget Committee**

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Mr. chairman and members of the committee:

New Jersey Future is a nonprofit, non-partisan organization that supports smart growth, sustainable land-use, urban revitalization, open-space preservation and transportation options in the state of New Jersey. As such, we are supportive of many of the priorities funded by the Proposed Transportation Capital Program for Fiscal Year 2012.

The capital program emphasizes a responsible, “fix-it-first” approach, rather than capacity expansion -- an approach that will help the state address its backlog of deficient roads and bridges. Similarly, the program continues a commitment to pedestrian safety by doubling the amount of funding available for pedestrian safety projects. Finally, with a third of all funding going to NJ Transit, the program provides significant support to meet the agency’s capital needs.

Not all of the priorities established in the capital program are positive, however, and these deserve scrutiny as well:

No funding for Transit Village and Centers of Place programs: During the early part of the 2000s, New Jersey’s Department of Transportation was considered innovative and future-oriented among state DOTs for linking land-use planning and transportation investment. The Transit Village and Centers of Place programs were key parts of this strategy. Indeed, the Governor himself acknowledged this last year when he said: “The Transit Village program encourages local officials to surround nearby transit facilities with a vibrant mix of residential, retail and commercial uses.” This budget represents the latest step in an ongoing retreat from that philosophy. It zeros funding for two of the department’s “flagship” land-use programs, Transit Villages and Centers of Place. While the programs will technically still exist in FY2012, they will have nothing to offer participating municipalities, further eroding state incentives for towns to engage in development and redevelopment around their train stations and in priority growth areas.

This is not only a blow for municipalities designated as Transit Villages or Centers, which will no longer have access to that funding; it also sends the wrong message to all municipalities about the state’s commitment to sound land-use planning. This comes at a time when the state is engaging in a strategic planning process intended to set a direction for growth and help state agencies move forward in a more coordinated fashion by aligning their rules and capital investments. The FY 2012 Transportation Capital Program undermines this effort by eliminating funding for the two NJDOT programs that sought to align sound land-use planning at the local

level with state infrastructure investment. Longer term, decoupling land-use planning and transportation investments will cost the state and the DOT more money as they are forced to widen roads and relieve bottlenecks created by sprawling land use at the local level. This is precisely the reason the NJDOT became involved in land-use planning in the 2000s, because it was cost-effective.

No new revenue to support spending: While we applaud the Governor for his commitment to move away from an overreliance on debt toward a more sustainable, pay-as-you-go model for transportation spending, we are concerned that this goal will be unattainable without new, dedicated revenue sources. The current plan relies on revenue from previously approved toll increases that were intended to fund the ARC tunnel, and escalating contributions from the General Fund, contributions that will have to be balanced elsewhere in the budget, either through spending cuts or revenue increases.

The Proposed Transportation Capital Program for Fiscal Year 2012 provides continued support in several important policy areas, specifically bridge and road maintenance, pedestrian safety, and transit capital funding, and we applaud the administration for its commitment to address these issues. The absence of funds for the Transit Village and Centers of Place programs, however, will make it harder to achieve these objectives by eroding the incentive for local governments to engage in land-use planning that supports smart growth. It also undermines a broader effort to bring state policy in line with a strategic vision of land-use and economic development throughout New Jersey. We urge the members of this committee to work to restore funding for these programs. Finally, we urge this committee, as well as the administration, to consider new revenue sources to help finance the capital spending plan as a way of further reducing the state's reliance on debt.

Thank you.