

*Submitted electronically to [njtransit.com/hearing](https://njtransit.com/hearing)*

March 8, 2024

Mr. Francis O'Connor  
Board Chair, New Jersey Transit Corporation  
1 Penn Plaza East  
Newark, NJ 07105

Re: NJ TRANSIT FY 2025 Fare Adjustment Proposal

Dear Chairman O'Connor,

On behalf of the organizations signed below, we thank you for the opportunity to submit these comments to inform New Jersey Transit's FY 2025 Fare Adjustment Proposal. In light of the new funding for NJ Transit outlined in Governor Murphy's budget address, we urge you to refrain from voting on the fare adjustment proposal until the FY 2025 state budget is finalized, and to ensure that any future fare increases do not put mass transit out of reach for the state's lowest-income residents.

When NJ Transit first proposed raising fares in January, the agency faced a \$119 million budget shortfall with no guarantee of additional state aid. Since then, Governor Murphy proposed the first-ever dedicated source funding for NJ Transit – a 2.5 percent Corporate Transit Fee on corporations with more than \$10 million in net profits – that would provide the agency more than \$800 million annually.

NJ Transit is an essential public service, particularly for low-income families. More than half of NJ Transit bus riders have an annual income of less than \$35,000, and the state's Black, Hispanic/Latinx, and Asian residents are the least likely to own a car. These facts show a stark racial and socioeconomic divide in our state as to who would bear the brunt of NJ Transit's proposed fare hikes.

Raising fares should always be a last resort, not the first solution for an agency facing budget issues. A double-digit fare hike proposed mere months before its implementation is not a sustainable solution, nor is it an equitable one. This proposal will disproportionately harm poorer families who rely on transit, serving as a de facto tax for low-income riders, many of whom are already on strict budgets.

Beyond the equity implications, a fare hike of this size without service improvements could lead to a transit death spiral, where riders are less likely to take transit in the future due to rising costs, leading to a decline in ridership, less farebox revenue, and more reason to raise fares. For the state to meet our shared goals of saving NJ Transit, making the state more affordable, and becoming more resilient to climate change, we need to incentivize public transportation more, not making it more expensive without improvements. NJ Transit is a public service and should be treated as such, not as a business that needs to subsist on its own revenue in order to survive.

NJ Transit's budget issues are no secret, and we share the concern of the agency's lack of state funding. Overreliance on farebox revenue can lead to an unstable budget balanced on the backs of riders, and agencies with more state aid perform better. For these reasons, we support the Governor's recent proposal to provide NJ Transit with a dedicated source of funding for the first time in history through the proposed Corporate Transit Fee. This modest fee on extremely profitable corporations, like Amazon and Walmart, is the most equitable way to fund the agency. It would more than cover the revenue generated from the proposed fare hike, and the two funding mechanisms should be weighed in a more holistic conversation about the agency's budget and long-term funding.

Given the governor's new proposal to dedicate funding to NJ Transit, we recommend:

1. **Refrain from voting on the double-digit fare hike proposal and work in tandem with Governor Murphy and the Legislature on the agency's budget.** Collaboration will ensure that budget decisions are not siloed, especially considering the agency is required by law to send their budget proposal to the Legislature by April 1, before the proposal is voted on.
2. **Roll back any future fare hikes to a more reasonable annual increase, with lower rates for local bus routes.** Fare increases should be phased in for riders so they are incremental and predictable. A lower increase for local bus routes would also spare riders with the lowest incomes; this approach was used during the Christie Administration when fares increased in 2015.
3. **Save the FlexPass and reverse the proposed 30-day expiration on all one-way tickets.** The agency has not shown sufficient evidence that these changes would generate significant revenue, but both would burden riders who rely on the flexibility and savings.
4. **Commit to holding hearings on any future fare hike, with a virtual option, even those proposed in perpetuity.** The question should not be whether or not it is legal to hold one hearing for a recurring fare increase – it is simply the right thing to do. Additionally, commit to offering at least one virtual hearing option to ensure everyone can be heard regardless of their ability to attend an in-person meeting.

NJ Transit is the backbone of our state's economy, moving hundreds of thousands of people every day. But its budget should not be balanced on the backs of everyday riders. We respectfully urge you to reconsider this fare hike proposal to achieve our state's goals of becoming stronger, fairer, and affordable for all.

Sincerely,

Nicole Rodriguez, President  
**New Jersey Policy Perspective**

Kevin Brown, Executive Vice President, New Jersey State Director  
**32BJ SEIU**

Winn Khuong, Executive Director  
**Action Together New Jersey**

Jennifer Coffey, Executive  
**Association of New Jersey Environmental Commissions (ANJEC)**

John Reichman, Board Member  
**BlueWaveNJ**

Amy Goldsmith, New Jersey State Director  
**Clean Water Action**

Kathleen Miller Prunty, Commissioner and Co-Chair of Raritan Valley Line Mayor's Alliance  
**Cranford Township**

Dave Pringle, Steering Committee  
**Empower NJ**

Karla Sosa, Project Manager, New York – New Jersey State Affairs  
**Environmental Defense Fund**

Doug O'Malley, Executive Director  
**Environment New Jersey**

Charlene D. Walker, Executive Director  
**Faith in New Jersey**

Matthew Smith, NJ Director  
**Food and Water Watch**

Staci Berger, Executive Director  
**Housing & Community Development Network of New Jersey**

Emmanuelle Morgen, Executive Director  
**Hudson County Complete Streets**

Maria Lopez-Nunez, Executive Director  
**Ironbound Community Corporation**

Ben Haygood, Director of Policy  
**Isles, Inc.**

Jesse Burns, Executive Director  
**League of Women Voters of New Jersey**

Rev. Sara Lilja, Executive Director  
**Lutherans Engaging in Advocacy Ministry New Jersey (LEAMNJ)**

Nedia Morsy, Director of Strategic Projects  
**Make the Road New Jersey**

Erik Cruz Morales, Policy and Advocacy Manager  
**New Jersey Alliance for Immigrant Justice**

Debra Kagan, Executive Director  
**New Jersey Bike & Walk Coalition**

Maura Collinsgru, Director of Policy and Advocacy  
**New Jersey Citizen Action**

**New Jersey Education Association (NJEA)**

Chris Sturm, Policy Director  
**New Jersey Future**

Jenna Mellor, Executive Director  
**New Jersey Harm Reduction Coalition**

Harbani Ahuja, Senior Counsel  
**New Jersey Institute for Social Justice**

Ed Potosnak, Executive Director  
**New Jersey League of Conservation Voters**

Anjuli Ramos-Busot, Director  
**New Jersey Sierra Club**

Tenisha Malcolm, Director, Urban Mayors Policy Center  
**New Jersey Urban Mayors Association**

Debra Coyle, Executive Director  
**New Jersey Work Environment Council**

Antoinette Miles, Interim State Director  
**New Jersey Working Families Alliance**

Louis Kimmel, Executive Director  
**New Labor**

Mara Novak, Executive Director  
**NJ 11th for Change**

Bruce Bergen, Chairman  
**Raritan Valley Rail Coalition**

Zoe Baldwin, Vice President, State Programs  
**Regional Plan Association**

Racquel Romans-Henry, Director of Policy  
**Salvation and Social Justice**

Julie Larrea Borst, Executive Director  
**Save Our Schools NJ**

Renae Reynolds, Executive Director  
**Tri-State Transportation Campaign**

Rev. Charles Loflin, Executive Director  
**Unitarian Universalist FaithAction NJ**

Shelley Brindle, Mayor and Co-Chair of Raritan Valley Line Mayor's Alliance  
**Westfield Township**

Diana Mejia, Co-Founder  
**Wind of the Spirit**