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N.J.'s price tag for infrastructure: \$10 Billion. Do We Get Our Money's Worth? | Opinion

Updated: Mar. 25, 2024, 10:07 a.m. | Published: Mar. 25, 2024, 7:30 a.m.

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By Andrew Sidamon-Eristoff

Typical Trenton. After months of backroom lobbying and horse trading, our state Legislature unveiled, debated, and passed a massive [bill](#) to reauthorize the state's Transportation Trust Fund (TTF) over the course of just a few days.

To provide \$10.367 billion for road, bridge, and other transportation infrastructure projects over five years beginning July 1, the legislation raises the NJ Transportation Trust Fund Authority's aggregate bonding capacity from \$12 billion to \$15.6 billion, increases the current 42.3 cent per gallon gas tax by a projected 1.9 cents a year, and imposes a new annual fee on "zero emission vehicles" starting at \$250 a year.

There's just one small problem. How do we know that we'll be getting our money's worth?

The bill anticipates spending about \$2 billion a year. Can we assume that dollar figure reflects realistic cost estimates for a specific list of projects that have been prioritized based on objective criteria?

Not so much.

Sure, current state [law](#) requires that the state Department of Transportation (NJDOT) prepare a Transportation Master Plan and a range of capital spending plans, but the practical reality is that the \$2 billion figure --- which, curiously, is flat from the previous 2016 TTF reauthorization despite the recent upsurge in inflation --- is a plug number that reflects the rough-and-tumble politics of public construction procurement. Instead of the amount of maintenance and repair work to be purchased, the only metric that matters on State Street is the raw amount of spending. Nowhere in the TTF legislation, much less in the legislative debate, will you find more than a passing reference to the concept of securing value for taxpayer dollars.

The truth is that New Jersey's taxpayers have always lacked any realistic capacity to evaluate the efficiency and efficacy of billions in annual TTF spending. Should we care? Yes. The Reason Foundation's [27th Annual Highway Report](#) (2023) rated New Jersey's highway system 44th in the nation in overall cost-effectiveness and condition. The Garden State ranked in the bottom 10 nationally in six of the report's 13 metrics, including 45th in capital and bridge spending per mile and 42nd in maintenance costs per mile. NJDOT has previously disputed elements of Reason's methodology, but there's no denying that New Jersey's costs are relatively high.

Can we do better? Absolutely, and here's a place to start: Gov. Murphy should issue an executive order that requires the DOT to prepare and publish a "plain language" annual TTF progress report that includes program- and project-level planning, procurement, contract execution, and budget information.

At the program level, the report should disclose the percentage of contracts let by competitive bid versus other procurement methods such as sole source and emergency contracts; the average contract award amount compared to planning estimates; the proportion of contracts on, under, or over time and budget; the frequency of change orders; and financial information such as maintenance costs and capital and bridge spending per mile.

The report should also include information at the individual project level, with details regarding procurement (What method was used and why? How many bids? How does the contract price, as amended, compare with estimates?) and contract execution (Is the project on time and on budget? Why not?).

Though not a cure-all, an annual TTF progress report would help hold state bureaucrats and contractors accountable for performance while going a long way toward giving New Jersey's taxpayers greater confidence that they are getting their money's worth.

NJDOT need not panic over the extra work. The agency already generates most of this information in some form as a function of existing state and federal reporting requirements. The challenge will be to organize and present the information in a format that is accessible to and useful for the public, the press, advocates, and policymakers.

Similarly, Gov. Murphy need not worry about potential pushback from the Legislature. After all, just last year our enlightened legislature adopted a [law](#) requiring the State Auditor to prepare a “plain language” version of the state’s Annual Comprehensive Financial Report, or ACFR. If plain language transparency is appropriate for explaining the dry details of the state’s accounting report, surely it’s appropriate for sharing the details of \$2 billion a year in infrastructure spending that directly impacts the lives of every New Jersey resident.

Andrew Sidamon-Eristoff was New Jersey’s State Treasurer under Gov. Christie from January 2010 to July 2015.

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