

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 225

STATE OF NEW JERSEY

DATED: JULY 9, 1996

Senate Bill No. 225(1R) of 1996 amends the New Jersey Transit Corporation's Elderly and Handicapped Reduced Fare Program, which currently permits senior citizens (age 62 and over) and handicapped citizens to ride at reduced fares during offpeak times. Under this bill, senior citizens (age 65 and over) and handicapped citizens who meet the eligibility requirements for the "Pharmaceutical Assistance to the Aged and Disabled" (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.) would be permitted to ride at reduced fares at all times.

Based on information provided by NJ Transit (NJT) for a previous proposal, Assembly Bill No. 177 of 1994, that would permit all senior citizens (age 62 and over) and handicapped persons to ride at reduced fares at all times, NJT estimated that it would incur a \$4.5 million cost in lost revenue and additional reduced fare payments to private carriers under such an all-inclusive scenario. However, NJT also estimated that the alternative proposal to permit only PAAD eligible persons to ride at reduced fares at all times represented about 200,000 people or close to 15 percent of the total number of residents who are eligible for the current reduced fare program. Allocating the 15 percent factor to the previous all-inclusive proposal cost of \$4.5 million, NJT estimated the PAAD-only alternative to cost approximately \$675,000.

The Office of Legislative Services (OLS) notes that the 1990 census data for the State indicate that the number of people 65 and over in the State, i.e. the PAAD age criterion, is about 80 percent of the number who are 62 and over. If that reduction factor is applied to the alternative NJT estimate, the PAAD-only cost would be closer to \$540,000. However, OLS also notes that the new American with Disabilities Act (ADA) program that provides paratransit bus service to persons who cannot use the regular bus transit services has a fare structure identical to regular NJT bus services. Since those fares would also be affected by this bill and since ADA service will not cover the entire State until 1997, OLS would estimate, pending submission of updated data by NJT, that the cost of this bill would be in the \$550,000 - \$600,000 range.

The legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.