

FY16 Budget Talking Points on Transit and Clean Energy

Lose-Lose: NJ Transit riders will face a historic fare hike, and service cuts AND Clean Energy Fund raids nearly double. Who wins? Exxon with a sweet-heart settlement deal.

- ***By the numbers:*** The budget cuts the state allocation for transportation by 8.4 percent from \$1.4 billion in FY2015 to \$1.293 billion in FY2016. This is the biggest cut to any one state department in FY16. NJTransit alone faces an \$80 million gap, which includes \$40 million in service cuts. This will undoubtedly lead to a fare hike for NJTransit passengers, most likely rivaling the historically high fare hikes from 2010 of 22%.
- ***Raid, raid, raid:*** The main strategy the Christie Administration is using is raiding money from NJ Turnpike revenues that were dedicated to the ARC Hudson rail project (\$295 million) AND the Clean Energy Raid, which funds energy efficiency project to help consumers. (The raids nearly doubled from \$33 million to \$66 million) More than a \$1 billion has been raided under Christie.
- ***NJ Transit last fare hike was a doozy:*** In 2010 the agency [raised rail and some bus fares](#) 25 percent, hiked local bus fares 10 percent, eliminated off-peak rail discounts, and reduced schedules on some lines. The average increase was 22 percent, but riders of off-peak trains saw their fares soar as much as 47 percent. NJTransit riders have faced 5 separate fare hikes (22% in 2010, 9.6% in 2007, 11.5% in 2005, 10% in 2002, 9% in 1990) already since the gas tax was increased in 1988.
- ***Transit riders will end up bearing more of the burden*** for the state's transportation funding structure, even though they as a whole earn much less than people who travel by car. The state should instead consider imposing a fee on businesses whose employees depend on mass transit.
- ***Too rich:*** These budget cuts were announced the same week of the [hiring of Christie spokesman Michael Drewniak](#) as NJTransit's director of policy and strategic planning, a job created for him that pays \$147,400.
- ***State Shirking:*** State tax contribution is 10% what it was in 2009. FY16 from tax revenues is \$33 million; \$348 million was allocated in 2009.
- ***Transit death spiral:*** Service cuts will most likely target light ridership lines, which will send transit ridership down even more, creating a death spiral for transit lines. Best example: Atlantic City train line. Service cuts & hiked fares will drive customers away and onto clogged roads.
- ***And what about Exxon deal?:*** The huge blow-black to the Christie Administration announced Exxon settlement for \$225 million – out of a potential \$8.9 billion – is beyond pennies on the dollar. All of the settlement dollars above \$50 million go directly into the General Fund, weakening rationales for future settlement cases against known polluters. This dwarfs the raids of the Passaic River case – where out of \$355 million, only \$67 went to restoration.

In Summary: NJ Transit riders will face another historic fare hike while Christie crony gets 6-figure new NJTransit job; Clean Energy Funds get raided (again!) and Exxon gets a sweet-heart settlement deal that won't actually clean up the pollution they wreaked on wetlands.