



NEW JERSEY
WORKING FAMILIES
VOTE YOUR VALUES

TESTIMONY OF ANALILIA MEJIA, Director NJ WORKING FAMILIES

ASSEMBLY TRANSPORTATION COMMITTEE

Good Morning,

First and foremost, on behalf of NJ Working Families Alliance, our partners and allies and tens of thousands of members in New Jersey, we comment Speaker Prieto and the members of the committee for taking up this critical issue that plagues more families than we should allow throughout our state.

The facts are sobering. According to a 2015 [study by Legal Services of New Jersey](#), 2.8 million New Jerseyans and 800,000 children effectively live in poverty. Despite gains made nationally, poverty is at a 50 year high, up 40 percent since the start of the Great Recession. Meanwhile the median income of New Jersey's top five 42980-6percent continues to grow at a rapid pace. This disparity has led some into a false sense of security, that all is well in the Garden State.

In short, New Jersey's economy has swung fundamentally out of balance. Fortunately, this committee can play a key role in rebalancing the scales for struggling families and removing roadblocks to opportunity and basic economic security for millions.

- Recently, a large [ongoing study from Harvard University](#) identified one factor that had an outsized impact on whether someone could escape poverty. For struggling families it made more of a difference than crime rates, school quality, or family structure. That factor was commute times – and access to affordable transit.
- Simply put, municipalities with better transit systems see more upward social mobility, while people who live in transit-poor areas are literally

trapped. They have fewer store choices, fewer job opportunities, and more trouble scheduling work hours.

- But instead of investing in an affordable, accessible and integrated transit system that could provide a pathway out of poverty for thousands of working families, New Jersey has been steadily disinvesting in its transit system by cutting service, raising fares and letting our roads and bridges crumble in disrepair.
- Perhaps the most obvious case of negligence was when the Christie Administration unilaterally killed the greatest public works project in the country, the ARC Tunnel. If completed, the ARC Tunnel would have strengthened New Jersey's connection to New York. Thanks to the short-sightedness of the Christie Administration, we lost out on 6,000 temporary construction jobs, 44,000 permanent new jobs, \$4 billion in new personal income and \$10 billion in gross regional product. It will go down in history as one of the biggest missed opportunities to strengthen our economy and provide opportunities to working families.
- Instead of increasing transit options, New Jersey has made its transit system more expensive and less accessible. In 2010, the Christie Administration raised New Jersey Transit's bus and train fares by an average of 24 percent. In 2015, it raised them again by 9 percent.
- These are tax increases by another name, levied on those least able to afford it. The fare hikes and service cuts also disproportionately affected people of color. Nearly 60 percent of all transit rides in the U.S. serve people of color. Despite being only 12% of the population, African-Americans make up 33% of total transit rides in the U.S.
- Cutting bus lines and raising transit fares weren't cruel necessities born of hard times, they were conscious policy choices that reflect the priorities of the Christie Administration.
- Over the last five years the Christie Administration has cut New Jersey Transit's state subsidy by 90% while at the same time awarding \$5 billion in tax cuts to people making over \$400,000 per year and pledging \$6 billion in subsidies to some of the most profitable and politically connected corporations in the world.

- In effect, Chris Christie levied a tax increase on New Jersey's working poor to pay for tax increases to the wealthy and well connected, while crippling what may be the best poverty-fighting tool we have: our transit system.
- If New Jersey wants to get serious about putting working families on the road to economic opportunity, it can start by reinvesting in New Jersey Transit. We should be lowering the costs of bus and train fares, which eases the burden on working families and provides commuters with an incentive to take a bus or train instead of clogging our congested highways. We should also be expanding transit options instead of limiting them.
- Right now New Jersey's elected leaders are engaged in a critical debate over how to replenish our nearly bankrupt Transportation Trust Fund. Funding TTF is essential to New Jersey's economy and its future, but the details matter – and the agreement you come to will have a lasting impact on New Jersey's struggling families.
- For all the reasons I've just outlined, it's crucial any funding plan for the Transportation Trust Fund must include new investment for mass transit, not just our roads and bridges.
- Furthermore, any gas tax increase intended to pay for our roads and bridges must be paired with a tax credit for New Jersey's low wage workers. That credit can take many forms, whether it's an expansion of EITC or a targeted commuter tax credit.
- Finally, legislators should reject calls to pair a gas tax increase with cuts to our estate or inheritance taxes. Everyone, one way or another, would pay for a gas tax increase – while cutting or eliminating taxes on inherited wealth would deliver yet another windfall to New Jersey's fortunate few.
- Even worse, the tax cut proposals currently being offered by some legislators would deprive us of the resources we need to make public investments that are outside the scope of this committee but nevertheless crucial to lifting people out of poverty to begin with.

New Jersey has two choices. It can continue on its current path of disinvesting in public transit while lavishing tax breaks for big business, or it can rein in the corporate welfare and giveaways to the wealthy and use those savings to building pathways out of poverty for struggling New Jerseyans.