Good morning Chairman Wisniewski, Vice-chair Stender, and members of the committee. I am Serena Rice, Executive Director of the Anti-Poverty Network of New Jersey (or APN). APN is a broad-based coalition of nearly 100 organizations and many more individuals committed to the prevention, reduction and end of poverty in New Jersey. On behalf of this network, I am here today to urge that the impact of proposed fixes for the Transportation Trust Fund carefully consider our state’s already struggling low-wage workers.

With that opening, you might be expecting me to attack the proposed gas tax increase – but I won’t. Investment in our state’s transportation infrastructure is vital to low-wage workers as well as their more fortunate counterparts, and no one understands the lack of a miracle fund in the state budget like an anti-poverty advocate. We need real money to fix this problem, and the gas tax is the most logical place to look for it.

This necessary step, however, cannot be taken in isolation. It needs to be accompanied by a restoration of the State Earned Income Tax Credit. Without this two-step partnership, the gas tax increase will have a disproportionate and detrimental impact on those least able to afford an added expense in their workday budget.

When you and I look at the dollar amounts involved, it is hard to understand how this impact can really be so serious. How can $6 to $12 a month really make a difference? That’s just a few Venti lattes at Starbucks. But the thing is, low-wage workers are not going to Starbucks. Low-wage workers and their families, hundreds
of thousands of them, have to depend on SNAP benefits to get enough food each month. SNAP – the program formerly known as food stamps – provides just $1.40 per meal. On that budget, $6 a month could mean missing 4 meals. As Assemblyman Mainer and 15 other legislators experienced back in September as part of the Food Stamps Challenge, $1.40 per meal means no extras. When I heard many of them share about the experience, a lot of them actually talked about coffee. But they weren’t talking about Starbucks. They were talking about desperately trying to squeeze their pennies to afford a tub of instant coffee – with no cream or sugar.

So, yes, the relatively small tax increase that the rest of us really can absorb into our family budgets is a significant burden on low-wage workers. But this is a problem that is easy to fix - without derailing or even significantly encumbering the gas tax increase. All it takes is a restoration of the state Earned Income Tax Credit.

This option is the best solution to the disproportionate impact of the gas tax because it is a program that has proven to be effective, and because the structure for the program already exists. The state would not have to expend resources or incur delays for administrative changes. The EITC restoration could be enacted simply, and it could make a tremendous difference.

Of course such a restoration would also benefit some low-wage workers who use public transportation, but this is a good thing. The loss of the EITC in 2010 has meant a net loss of about $250 million to half a million New Jersey working families. As we look to support the future of our state’s economy. We need to recognize that these workers are vital to that economy as well.

Thank you for your time and attention.