**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. NJ Transit alone faces an $80 million gap, which includes $40 million in service cuts. This will undoubtedly lead to a fare hike for NJ Transit 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. NJ Transit 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 NJ Transit’s director of policy and strategic planning, a job created for him that pays $147,400.

- **State Shirking:** State tax contribution is 10% what is 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 NJ Transit 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.