



June 2, 2023

The Honorable Gavin Newsom
Governor, State of California

The Honorable Toni G. Atkins
Senate President Pro Tempore
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

The Honorable Phil Y. Ting
Chair, Assembly Budget Committee
California State Assembly

RE: Proposed Legislative Budget Actions and Additional Needs for Transit Operations Funding

Dear Governor Newsom, Pro Tempore Atkins, Speaker Rendon, Senator Skinner, and Assemblymember Ting:

We write to you to today to thank the Legislature for its commitment to public transit, as reflected in recent budget actions, which would maintain the full funding commitment for the Transit and Intercity Rail Capital Program (TIRCP) established in the FY 2022-23 budget, create flexibility within the TIRCP to help region’s address near-term operating deficits, establish new accountability measures for transit agencies, and set the stage for long-term, structural reform to transit funding and operations in California. **We see these actions as critical, but unfortunately, insufficient for meeting the most pressing needs of California’s transit agencies; therefore, we request that the state appropriate new funding to stabilize transit operations and support transit agencies’ recovery from the pandemic.**

This funding is necessary to protect transit service over the next several years, as California's transit agencies collectively face a multibillion funding shortfall, while also maintaining capacity to build transformative capital projects needed to meet our state's future mobility needs. Without such action, we will lose the significant progress the state has made toward our environmental, mobility, public health, and equity objectives; and irreparably harm a system that is central to California's climate leadership and global economic standing. **Our organizations believe it is imperative that, as negotiations on the final budget proceed, the Legislature and the Administration continue to provide additional financial resources to support transit agencies.**

In April, the California Transit Association put forward a series of proposed funding options and policy recommendations and in May, we shared an accountability and reform framework for your consideration. Several of these proposals were adopted by the Legislature in May, including:

- Maintaining the \$4 billion for the TIRCP committed as part of the FY 2022-23 transportation funding package as identified in AB/SB 180.
- Identifying various accountability measures for transit agencies designed to require them to revisit service models and implement ridership growth strategies.
- Extending various statutory relief measures that were originally included in the FY 2020-21 budget that would pause farebox recovery ratio and operating cost per hour metrics.
- Maintaining flexibility in the State Transit Assistance-State of Good Repair Program and expanding that same flexibility in Low Carbon Transit Operations Program.

These actions will result in hundreds of millions of dollars in flexible funding for transit operations and heightened accountability to the state and public on how funding will be used. However, as was presented to the Senate and Assembly budget committees earlier this year, transit agencies statewide estimate needing \$6 billion over the next five years to address impending operating deficits that threaten transit service and jobs statewide and to deliver increasingly effective, sustainable, safer, and equitable service.

In this difficult budget landscape, we understand that the Legislature and Administration may not be in a position to fully address the entire five-year need this year, but **we urge you to bring additional resources to the table to ensure our lifeline transit services can survive and continue to evolve to meet the needs of everyday Californians. In receiving new funding, California's transit agencies are fully prepared to address the accountability concerns expressed by state legislators and abide by new requirements. Therefore, while we urge you to preserve the actions taken so far, we also ask that the Legislature and the Administration approve additional funding for transit operations, including from discretionary Cap and Trade funds.** Additional options for consideration are included in the [California Transit Association's funding request letter](#), dated April 25.

We thank you for acknowledging the needs of California's transit agencies and for your significant actions and engagement so far. We look forward to continuing to work with you over the next two weeks to identify additional funding for transit operations.

Sincerely,

Michael Pimentel, Executive Director
[California Transit Association](#)

Jacklyn Cuddy, Executive Director
[California Association for Coordinated Transportation](#)

Jeff Shaffer, Chairman
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[California State Legislative Board of Sheet Metal, Air, Rail and Transportation Workers Transportation Division \(SMART-TD\)](#)

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cc: The Honorable Maria Elena Durazo, Chair, Senate Budget Subcommittee No. 5
The Honorable Josh Becker, Chair, Senate Budget Subcommittee No. 2
The Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 3
Toks Omishakin, Secretary, California State Transportation Agency
Yana Garcia, Secretary, California Environmental Protection Agency
Mark Tollefson, Undersecretary, California State Transportation Agency
Chad Edison, Chief Deputy Secretary for Rail and Transit, California State
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James Hacker, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Steve Cliff, Executive Officer, California Air Resources Board