California Transit Association

Spring Legislative Conference

MAY 21, 2026
SACRAMENTO, CA
THE KIMPTON SAWYER HOTEL



California Transit Association

Welcome



Erin Rogers

Chair, Executive Committee,
California Transit Association
CEO/GM, Omnitrans

California Transit Association

Keynote Address



Lauren Sanchez

Chair, California Air Resources Board

CALIFORNIA AIR RESOURCES BOARD

California Transit Association



Erin Rogers

Chair, Executive Committee,
California Transit Association
CEO/GM, Omnitrans

Session I

California Transit Association

Association State Legislative and Budget Update



Senator Dave Cortese
Chair, Senate Transportation Committee
D-San Jose



Michael Pimentel
Executive Director



Matt Robinson
Legislative Advocate



Brendan Repicky
Legislative & Regulatory Advocate



Beverly Greene
State Legislative Committee Chair,
Moderator

Budget Update

- Last week, Governor released May Revise to his January budget proposal
- Balanced budget – in fact $16 billion more in revenue than was projected
- But: major concerns about projected *out-year* deficits have led to reluctance to fund new commitments
- **Regarding transit investments, both the January proposed budget and May Revise:**
  - Zero out planned $230m in SB 125 funds for Zero Emission Capital Transit Program (ZETCP)
  - Shift $750m of Legislative Discretionary funds from GGRF to CalFIRE
  - Show lower than expected projections for TIRCP and LCTOP

SB 125 Funding

- $5.1 billion in funding promised by SB 125 (2023), $690 million remains to be appropriated:
  - $230 million for Zero Emission Capital Transit Program (ZETCP) in FY 2026-27
  - $460 million for ZETCP in FY 2027-28
- Agencies have planned around this promised funding
- Governor's budget does not include this appropriation
- **Association's Priority Ask: Restore $230 million SB 125 ZETCP in FY 26-27**

Zero-Emission Bus Tax Exemption

- Transit agencies working to comply with the Innovative Clean Transit Regulation (ICT)
- To support the zero-emission shift, Legislature had instituted a sales tax exemption for zero-emission buses in 2019 and extended it in 2022
- Unfortunately, SB 752 (Richardson) died in Senate Appropriations last year…
- Tax exemption expired at the end of 2025
- Saved transit agencies $40,000 - $70,000 per bus
- **Association's Priority Ask: Re-institute sales tax exemption for zero-emission buses through the budget trailer process**

TIRCP and LCTOP Funding Uncertainty

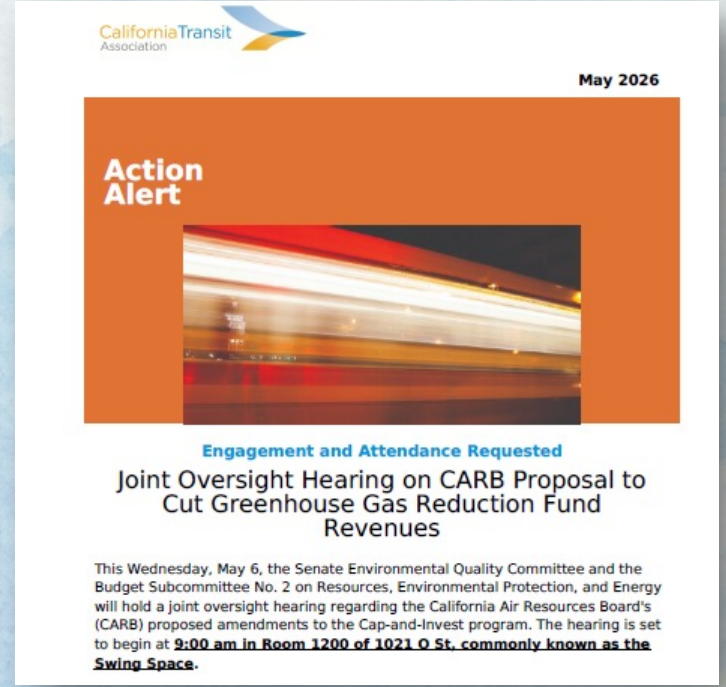
- TIRCP and LCTOP funding is heavily dependent on total GGRF revenue
  - GGRF proceeds are down / Governor has prioritized other programs
  - So just $209 million for TIRCP and $105 million for LCTOP in May Revise
- TIRCP and LCTOP two of the most efficient GGRF programs ($ / Metric Ton of CO2)
- However, with GGRF already stretched, funding could decrease even further (see CARB proposal)
- **Association's Priority Ask: Establish funding certainty for TIRCP and LCTOP, given their success at reducing greenhouse gas emissions**

Proposed CARB Regulations

- On April 14, CARB proposed new regulations to Cap-and-Invest to address industry leakage and the program's cost impacts to Californians
- Proposal would significantly increase the number of free allowances to oil, gas, and utility companies
- By increasing the number of free allowances in the Cap-and-Invest market, this proposal would mean significantly lower Cap-and-Invest revenues (nearly $2 billion lost annually – a nearly 50% cut to revenue) and decimate key programs, including TIRCP and LCTOP
- **Association staff recognized threat and began to take lead in fighting the proposal**

Association Response

- Association staff began contacting transportation, housing, labor, local government, and environmental stakeholders to alert them to the threat
- Staff have also worked to educate and engage legislators and staff
- In two weeks, Association built a coalition of **70** stakeholder organizations and over **40** transit, MPO, and RTPA organizations to oppose CARB proposal



CaliforniaTransit Association

May 2026

Action Alert

Engagement and Attendance Requested

Joint Oversight Hearing on CARB Proposal to Cut Greenhouse Gas Reduction Fund Revenues

This Wednesday, May 6, the Senate Environmental Quality Committee and the Budget Subcommittee No. 2 on Resources, Environmental Protection, and Energy will hold a joint oversight hearing regarding the California Air Resources Board's (CARB) proposed amendments to the Cap-and-Invest program. The hearing is set to begin at **9:00 am in Room 1200 of 1021 O St, commonly known as the Swing Space**.

Coalition Response



April 30, 2026 (Updated on May 8, 2026)

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms – Significant Concerns

Chair Sanchez:

We, the undersigned organizations, write to you today to voice our **significant concerns** with the *Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments)*, released by the California Air Resources Board (CARB) on April 14, 2026. The Proposed Amendments are expected to be considered by CARB at its May 28-29, 2026, monthly meeting.

In 2025, our organizations, representing affordable housing, local government, transportation / transit, environmental, environmental justice, and labor interests from across the state,

Stakeholder Coalition Response



April 30, 2026 (Updated on May 13, 2026)

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms – Significant Concerns

Chair Sanchez:

We, the undersigned transit agencies, metropolitan planning organizations, and regional transportation planning agencies, write to you today to voice our **significant concerns** with the *Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments)*, released by the California Air Resources Board (CARB) on April 14, 2026. The Proposed Amendments are expected to be considered by CARB at its May 28-29, 2026, monthly meeting.

In 2025, we supported the efforts of the Newsom Administration and Legislature to extend the Cap-and-Trade program beyond 2030. We supported the proposed early action on the extension, as long-time partners to the state in combatting climate change and addressing air quality issues and because we understood that such action was critical to stabilizing the market and continuing investment from the Greenhouse Gas Reduction Fund (GGRF) in key climate programs. As the effort gained traction, we called on the state to maintain ongoing investment from the GGRF in the Affordable

Transit, MPO, RTPA Response

Legislative Response



CALIFORNIA LEGISLATURE

Senate

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

April 27, 2026

Lauren Sanchez
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Appearance Before the Legislature to Discuss Amendments to Cap & Invest

As chairs of the relevant budget and policy committees of the California State Senate we are requesting an extension of the public comment period for the Proposed Amendments to the regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms.

Since the release of the proposed amendments on April 14th, we have heard significant concerns from elected officials and advocates alike regarding the limited amount of time to further discuss these proposed amendments given their dramatic impact on our environment and the Greenhouse Gas Reduction Fund (GGRF), one of our primary mechanisms to address climate change and the associated public health effects. There are several concerns that have been raised including, but not limited to, the significant repercussions of the proposed *Manufacturing Decarbonization Incentive* (MDI) on our 2030 emissions target, and on the GGRF.

We would request your appearance before our committees within the coming weeks to provide timely oversight and feedback, and to better understand the weight of the proposed amendments well in advance of the May meeting. The decisions made regarding this program will have long standing impacts through 2030. It is critical that we get this right in order to address affordability concerns and ensure California continues to lead the way on public health and environmental integrity.

Sincerely,

Senator Eloise Gomez Reyes
29th Senate District

Senator Catherine Blakespear
38th Senate District

Senate Oversight Request



CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

April 27, 2026

The Honorable Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: 15-Day Amendments to the Cap-and-Invest Program

CHRIS WARD
Assemblymember, 78th District

CHRIS ROGERS
Assemblymember, 2nd District

SCOTT WIENER
Senator, 11th District

NICK SCHULTZ
Assemblymember, 44th District

LENA GONZALEZ
Senator, 33rd District

DAWN ADDIS
Assemblymember, 30th District

JESSE ARREGUIN
Senator, 7th District

MARC BERMAN
Assemblymember, 23rd District

REBECCA BAUER-KAHAN
Assemblymember, 16th District

JOHN HARABEDIAN
Assemblymember, 41st District

TASHA BOERNER
Assemblymember, 77th District

STEVE BENNETT
Assemblymember, 38th District

JESSICA CALOZA
Assemblymember, 52nd District

MIA BONTA
Assemblymember, 18th District

JOHN LAIRD

CATHERINE BLAKESPEAR

HENRY STERN
Senator, 27th District

DAMON CONNOLLY
Assemblymember, 12th District

JOSH BECKER
Senator, 13th District

RICK CHAVEZ ZBUR
Assemblymember, 51st District

ISAAC BRYAN
Assemblymember, 55th District

ROBERT GARCIA
Assemblymember, 50th District

BEN ALLEN
Senator, 24th District

ALEX LEE
Assemblymember, 24th District

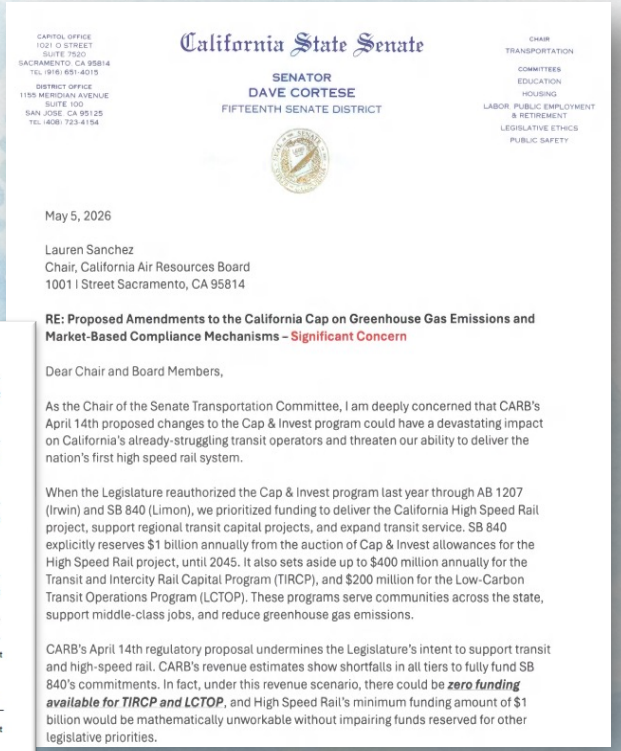
GAIL PELLERIN
Assemblymember, 28th District

SADE ELHAWARY
Assemblymember, 57th District

GREGG HART
Assemblymember, 37th District

ASH KALRA
Assemblymember, 25th District

Legislative Pushback



CAPITOL OFFICE
1021 O STREET
SUITE 7520
SACRAMENTO, CA 95814
TEL (916) 651-4015

DISTRICT OFFICE
1155 MERIDIAN AVENUE
SUITE 100
SAN JOSE, CA 95125
TEL (408) 723-4154

California State Senate

SENATOR
DAVE CORTESE
FIFTEENTH SENATE DISTRICT

CHAIR
TRANSPORTATION

COMMITTEES
EDUCATION
HOUSING
LABOR, PUBLIC EMPLOYMENT & RETIREMENT
LEGISLATIVE ETHICS
PUBLIC SAFETY

May 5, 2026

Lauren Sanchez
Chair, California Air Resources Board
1001 I Street Sacramento, CA 95814

RE: Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms – Significant Concern

Dear Chair and Board Members,

As the Chair of the Senate Transportation Committee, I am deeply concerned that CARB's April 14th proposed changes to the Cap & Invest program could have a devastating impact on California's already-struggling transit operators and threaten our ability to deliver the nation's first high speed rail system.

When the Legislature reauthorized the Cap & Invest program last year through AB 1207 (Irwin) and SB 840 (Limon), we prioritized funding to deliver the California High Speed Rail project, support regional transit capital projects, and expand transit service. SB 840 explicitly reserves $1 billion annually from the auction of Cap & Invest allowances for the High Speed Rail project, until 2045. It also sets aside up to $400 million annually for the Transit and Intercity Rail Capital Program (TIRCP), and $200 million for the Low-Carbon Transit Operations Program (LCTOP). These programs serve communities across the state, support middle-class jobs, and reduce greenhouse gas emissions.

CARB's April 14th regulatory proposal undermines the Legislature's intent to support transit and high-speed rail. CARB's revenue estimates show shortfalls in all tiers to fully fund SB 840's commitments. In fact, under this revenue scenario, there could be ***zero funding available for TIRCP and LCTOP***, and High Speed Rail's minimum funding amount of $1 billion would be mathematically unworkable without impairing funds reserved for other legislative priorities.

Senate Joint Oversight Hearing

- On May 6, CARB Chair Lauren Sanchez and her team presented before the Senate Environmental Quality Committee and Senate Budget Subcommittee #2
- Legislators noted concerns that the proposal would effectively undo the Cap-and-Invest expenditure plan passed last year (SB 840)
- Association staff spoke on behalf of the important of our key transit investments
- Joined by nearly 50 other stakeholders from our coalition (majority of those speaking)



Assembly Budget Sub 4 Hearing on GGRF

- On May 19, the Assembly Budget Subcommittee No. 4 held its own oversight hearing dedicated to the GGRF, with a big focus on CARB's proposal
- This time, a bi-partisan group of Assemblymembers voiced its concerns with CARB's approach
- Once more, Association staff drove home our message, joined by dozens of coalition partners and Association Members



Next Steps

- Association staff, in coordination with our coalition partners, will be meeting directly with key legislators and staff
- **We need your urgent help on three action items:**
  - **Contact your Legislators** to voice your concerns with the proposal. Urge them to voice their concerns with leadership and request that, as a body, they demand CARB take no action on May 28 and protect GGRF.
  - **Contact CARB board members** to voice your concerns with the proposal. Urge them to take no action on May 28 and protect GGRF.
  - **Participate in May 28 CARB meeting**

Association's Sponsored Bills

AB 1837 (Mark González)

- Extends authority for transit agencies to use forward-facing cameras for parking enforcement
- Passed two policy committees
- Now pending vote on the Assembly Floor

Association's Sponsored Bills

AB 1944 (Lee) – ZEB Axle Weight Limits

- Would amend vehicle axle weight limits until 2031 and help transit agencies in their shift to ZEBs
- Recognizes battery technology has not moved as rapidly as previously hoped
- In the Senate Transportation Committee

Other Bills of Interest

- SB 667 (Archuleta) Railroad Wayside Detectors – Oppose
- AB 1198 (Haney) Prevailing Wage – Oppose
- AB 1383 (McKinnor) Amending PEPRA – Oppose
- AB 1599 (Ahrens) Transit Stop Registry – Watch
- AB 1941 (Mark González) Organized Metal Theft – Support

Advocacy Goals and Action Items

For when you meet with your Legislators:

- Pause CARB's proposed amendments to Cap-and-Invest, given its impacts to GGRF
- Restore $230 million of previously promised SB 125 funding for ZETC
- Establish funding certainty for TIRCP and LCTOP
- Reinstitute tax exemption for zero-emission bus transition
- Support Association's Sponsored Bills to extend authority for parking enforcement cameras in bus lanes (AB 1837) and to support transit agencies as they work to comply with ICT regulation (AB 1944)

California Transit Association

Q&A

Microphones will be in audience

California Transit Association

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SACRAMENTO, CA
THE KIMPTON SAWYER HOTEL



California Transit Association



Michael Pimentel

Executive Director
California Transit Association

Session II

California Transit Association

Revisiting the Innovative Clean Transit Regulation: Lessons Learned and Next Steps



Jason Hill-Falkenthal
Assistant Division Chief, Mobile Source Control Division
California Air Resources Board



Gia Vacin
Deputy Director, Governor's Office of Business and Economic Development



Doran Barnes
Chair, ZEV Task Force, California Transit Association
Chief Executive Officer, Foothill Transit



Rick Ramacier
Chair, State Legislative Committee
CALACT



Michael Pimentel
Executive Director
Moderator

California Transit Association

Q&A

Microphones will be in audience

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California Transit Association



Michael Pimentel

Executive Director
California Transit Association

California Transit Association

Transit Champion Awards



Senator Scott Wiener

D-San Francisco


Senator Scott Wiener
D-San Francisco

California Transit Association



Michael Pimentel

Executive Director
California Transit Association

California Transit Association

Transit Champion Awards



Assemblymember Lori Wilson

Chair, Assembly Transportation Committee

D-Suisun City

California Transit Association

Transit Champion Awards



Senator Scott Wiener
D-San Francisco



Assemblymember Lori Wilson
Chair, Assembly Transportation Committee
D-Suisun City

Session III

California Transit Association

Navigating Transit Funding Uncertainty: Risks, Realities and the Path Forward



Senator Jesse Arreguín
Chair, Senate Housing Committee
D-Berkeley



Senator Catherine S. Blakespear
Chair, Senate Environmental Quality Committee
D-Encinitas



Assemblymember Lori Wilson
Chair, Assembly Transportation Committee
D-Suisun City



Matt Robinson
Legislative Advocate
Moderator

California Transit Association

Q&A

Microphones will be in audience

California Transit Association



Michael Pimentel

Executive Director
California Transit Association



The Portola Hotel & Spa and Monterey Conference Center
Monterey, California

October 28–30, 2026

Hosted in partnership with Monterey-Salinas Transit

CONNECTING US

61st ANNUAL FALL CONFERENCE & EXPO

presented by accenture

The Portola Hotel & Spa and Monterey Conference Center
Monterey, California

October 28–30, 2026



Keynote Speaker
Leon Panetta

California Transit Association

Thank you for joining us