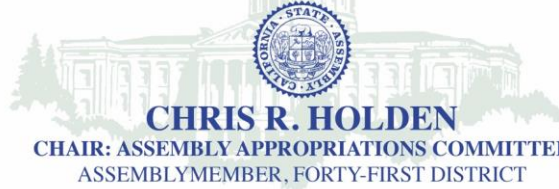


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# Assembly California Legislature



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May 28, 2024

The Honorable Mike McGuire  
President pro Tempore, California  
State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

The Honorable Robert Rivas  
Speaker, California State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

The Honorable Scott Wiener  
Chair, Senate Budget and Fiscal  
Review Committee  
1021 O Street, Suite 8620  
Sacramento, CA 95814

The Honorable Jesse Gabriel  
Chair, Assembly Budget Committee  
1021 O Street, Suite 8330  
Sacramento, CA 95814

Dear President pro Tem McGuire, Speaker Rivas, Senator Wiener, and Assembly Member Gabriel:

We, the undersigned, members of the California State Legislature, write to affirm our continued support for the \$5.1 billion state investment approved for public transit operations and capital in the Budget Act of 2023. This first tranche of this funding, totaling \$2.4 billion, was scheduled to be approved and released by the California State Transportation Agency on April 30, but is currently subject to the spending freeze announced by the California Department of Finance on April 29. The remaining funding is currently scheduled to be appropriated by the Legislature, and approved by the Governor, over the next three fiscal years.

As you will recall, last year, in the face of an emerging state budget deficit, our houses acted to approve a \$5.1 billion transit funding package that acknowledged the dire post-pandemic financial position of transit agencies across the state. This package modified the \$4 billion investment in the formula-based Transit and Intercity Rail Capital Program approved by the Legislature in the Budget Acts of 2021 and 2022 by allowing this one-time funding to be “flexed” toward transit operations; and created the new \$1.1 billion Zero-Emission Transit Capital Program by diverting funds previously dedicated to programs at the California Air Resources Board and California Energy Commission for zero-emission transit capital, which can also be “flexed.” Under this package, funding is

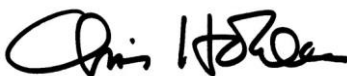
directed to regional entities, including regional transportation planning agencies and metropolitan planning organizations, for disbursement to transit agencies.

To access this funding, regional entities were required to work with the transit agencies in their respective regions to develop and submit detailed allocation plans to CalSTA that address the required accountability criteria that we as a Legislature established. Among other things, these allocation plans must address how funding received through this package and available through other regional/local resources will be used to address expected operational shortfalls through FY 2025-26, mitigate service cuts and fare increases, avoid layoffs, grow ridership, and improve the cleanliness and safety of their systems and that justify expenditures on major capital projects. These plans were required to be submitted to CalSTA no later than December 31, 2023.

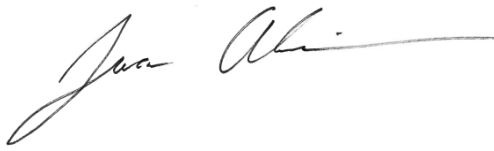
To meet the deadline the Legislature established, our regional entities worked dutifully with the transit agencies in our districts throughout the fall and winter to develop and submit the required plans, detailing and justifying the expenditure of the funding they expected to receive. The development of these plans benefited from months of engagement with the public and regional stakeholders and delicately balanced the project and service needs of our transit agencies to maximize the benefits of our state investment. In return, our regional entities and transit agencies anticipated the state would follow its statutorily established deadline for releasing this critical funding. This expected infusion of state funding is desperately needed to maintain and expand transit service, retain and hire transit operators, and invest in major capital projects that help the state secure federal funding from the Bipartisan Infrastructure Investment and Jobs Act. With the institution of the state spending freeze on April 30, that did not happen.

Now, as we consider the May Revise and enter into final budget negotiations, we are affirming our continued support for the \$5.1 billion state investment approved for public transit operations and capital in the Budget Act of 2023 and communicating the importance of upholding our commitments to regional entities and transit agencies in moving this funding forward. The maintenance of our commitments will be critical to delivering on the goals and objectives the Legislature established for this funding and meeting our state's climate, mobility, and equity goals. As budget discussions continue, we encourage the immediate release of the transit funding currently frozen under the spending freeze and the approval of all remaining funding on the schedule outlined in the Early Action Budget Agreement.

Sincerely,



CHRIS R. HOLDEN  
41<sup>st</sup> District Assemblymember



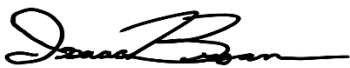
Juan Alanis  
22<sup>nd</sup> District Assemblymember



David A. Alvarez  
80<sup>th</sup> District Assemblymember



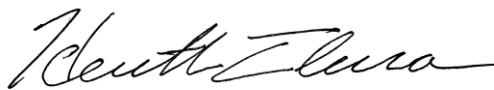
Mia Bonta  
18<sup>th</sup> District Assemblymember



Isaac G. Bryan  
55<sup>th</sup> District Assemblymember



Lisa Calderon  
56<sup>th</sup> District Assemblymember



Heath Flora  
9<sup>th</sup> District Assemblymember



Mike Fong  
49<sup>th</sup> District Assemblymember



Laura Friedman  
44<sup>th</sup> District Assemblymember



Mike Gipson  
65<sup>th</sup> District Assemblymember



Matt Haney  
17<sup>th</sup> District Assemblymember



Alex Lee  
24<sup>th</sup> District Assemblymember



Josh Lowenthal  
69<sup>th</sup> District Assemblymember



Tina McKinnor  
61<sup>st</sup> District Assemblymember



Al Muratsuchi  
66<sup>th</sup> District Assemblymember



Blanca Pacheco  
64<sup>th</sup> District Assemblymember



Carlos Villapudua  
13<sup>th</sup> District Assemblymember



Anthony Rendon  
Speaker Emeritus  
62<sup>nd</sup> District Assemblymember




Josh Newman  
29<sup>th</sup> District Senator



Freddie Rodriguez  
53<sup>rd</sup> District Assemblymember



Susan Rubio  
22<sup>nd</sup> District Senator



Miguel Santiago  
54<sup>th</sup> District Assemblymember



Phil Ting  
19<sup>th</sup> District Assemblymember



Avelino Valencia  
68<sup>th</sup> District Assemblymember

cc: The Honorable Gavin Newsom, Governor, State of California  
The Honorable Aisha Wahab, Chair, Senate Budget Subcommittee No. 5  
The Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4  
Toks Omishakin, Secretary, California State Transportation Agency  
Mark Tollefson, Undersecretary, California State Transportation Agency  
Chad Edison, Chief Deputy Secretary, California State Transportation Agency  
Joe Stephenshaw, Director, California Department of Finance  
Erika Li, Chief Deputy Director, California Department of Finance