

2025 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2025 State Legislative Program is an integral part of making our vision a reality and is part and parcel of our mission to further the interests of public transportation as defined in the Association's 2023-2028 Strategic Plan.

The Association's Strategic Plan, which identifies advocacy as our top priority, sets our advocacy goal as follows:

Influence state and federal decision makers to enact policies and funding solutions supporting, expanding, developing, and advancing public transit.

The Association's Strategic Plan dictates our ongoing responsibilities as they pertain to our advocacy work as follows:

- *Protect existing transit operations and capital funds.*
- *Secure new sources of funding for transit operations and capital projects.*
- *Enhance public awareness of the essential nature of public transit and build support for increased transit funding.*
- *Ensure passage of transit legislation and regulations that support transit and defeat of those legislative and regulatory measures which impede transit's ability to meet the public's mobility needs.*
- *Ensure the passage of legislation and regulations does not create new unfunded mandates on transit agencies.*

To further refine the above responsibilities, the Association's Strategic Plan focuses our advocacy efforts from 2023 to 2028 on the following objectives:

- *Secure new transit operations funding to address the pandemic-induced looming fiscal cliff and support transit's recovery from the pandemic.*
- *Provide support to public transit agencies in the transition to zero-emission vehicles; address agency needs for recharging/ refueling infrastructure, maintenance facilities, etc.*
- *Update the Transportation Development Act (TDA).*
- *Enhance transit industry workforce recruitment and training efforts.*
- *Address driver and passenger safety and security concerns related to inappropriate behavior on transit vehicles and at stations; address the impact of unhoused persons on transit vehicles and at stations.*

2025 STATE LEGISLATIVE PROGRAM – SUMMARY OF ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2025, including sponsored legislation we will seek.

- **Transit Funding and Rebuilding Ridership:** Protect existing transit capital and operations funding and continue to pursue additional dedicated, formula funding for transit and rail agency operations, as well as resources to return riders to public transportation systems. The Association will also engage in any efforts to extend the Cap-and-Trade program beyond 2030 and advocate for the continuation and growth of dedicated resources from the program for transit agencies.
- **Transit Transformation Task Force:** Continue to work with CalSTA, state agencies, transit agencies, regional partners, legislative committee staff, and other stakeholders in the Transit Transformation Task Force established by SB 125 (Committee on Budget and Fiscal Review) [Chapter 54, Statutes of 2023].
- **Protecting Transit Workers and Riders:** Pursue legislation to protect transit employees and passengers from assault and battery. Continue to work with the Transit Operator and Rider Safety Subcommittee to identify policy changes and best practices to protect transit workers and riders.
- **CEQA and Permit Streamlining:** Work with stakeholders on legislation to further refine existing CEQA statutory exemptions for rail & transit agencies and explore opportunities to expedite state and local permit reviews & approvals.
- **Zero-Emission Transit:** Monitor implementation of the Innovative Clean Transit regulation, the Commercial Harbor Craft regulation, the In-Use Locomotive regulation, the Low-Carbon Fuel Standard, the Clean Truck Check, and the Advanced Clean Fleets regulation, and work to address the impacts associated with deploying ZEVs, including pursuing dedicated funding for zero-emission transit vehicle deployment and supportive infrastructure, engaging CARB through various forums, and potentially pursuing relief from the regulations.
- **Prioritizing Electricity for Transit Agencies:** Pursue legislation, as necessary, to ensure priority access to electricity for transit agencies during grid disruptions.
- **Homelessness:** Continue to monitor implementation of AB 1377 (Friedman) [Chapter 728, Statutes of 2023]. Continue to work with the Transit Operator and Rider Safety Subcommittee identify additional policy changes and best practices to address homelessness on California transit systems.
- **Cap & Trade Funding:** Pursue additional dedicated funding from the Greenhouse Gas Reduction Fund (GGRF). Develop a proposed Cap and Trade expenditure plan for transit and establish a subcommittee of the State Legislative Committee to develop the Association's strategy for maximizing the state's investment in public transit.
- **Driver Testing:** Work to improve driver testing, certification, and licensing timeframes.

**2025 STATE LEGISLATIVE PROGRAM –
ALL ACTION ITEMS**

The following summarizes all policy goals the California Transit Association will actively pursue in 2025, whether through sponsoring legislation or in supporting the work of other groups. These are a mix of our existing goals and new items added for 2025.

RESPONSIBILITY: Protect existing transit operations and capital funds.

A. The Association will continue its participation in the Transit Transformation Task Force to develop recommendations for transit ridership recovery and structural reforms to state transit funding and performance metrics.

SB 125 (Committee on Budget and Fiscal Review) [Chapter 54 Statutes of 2023] required the California State Transportation Agency, on or before January 1, 2024, to establish and convene a Transit Transformation Task Force comprised of representatives from transit agencies, academic institutions, nongovernmental organizations, and other stakeholders. The Task Force was constituted in December 2023. SB 125 further requires the Task Force, to prepare and submit a report of findings and policy recommendations, based on the Task Force's efforts, to the appropriate policy and fiscal committees of the Legislature on or before October 31, 2025. SB 125 requires the report to include a detailed analysis of various issues and recommendations on a variety of transit-related topics, including, among others, transit ridership recovery, long-term funding for transit agencies, and Transportation Development Act (TDA) reform.

Throughout 2024, the Association, through representation by Association staff and in coordination with member agencies, participated regularly in the Transit Transformation Task Force to support CalSTA's data collection needs and to inform the recommendations developed by the Task Force on topics, including, but not limited to, transit ridership recovery, long-term funding for transit agencies, and TDA reform. The Association's participation on the Task Force, and the positions we articulate in Task Force meetings, is supported by the Association's internal Transit Transformation Advisory Committee, which was established by the Executive Committee in February 2024. In 2025, the Association will continue to participate on the Task Force through Association staff and members, as directed by the Transit Transformation Advisory Committee.

B. Protect existing State transit funds, including the General Fund moneys appropriated in SB 108 (Wiener) [Chapter 35, Statutes of 2024], SB 109 (Wiener) [Chapter 36, Statutes of 2024], SB 1 (Beall and Frazier) [Chapter 5, Statutes of 2017] funding, TDA, PTA, and Cap & Trade revenues for transit, from being eliminated, terminated, shifted or otherwise used for non-transit purposes, without specific repayment terms, and restore or obtain repayment of all previous loans or shifts of transit funds.

The Association will advocate for the maintenance of existing transit funding sources committed to transit capital and operations in the FY 2024-25 and FY 2023-24 State Budgets and through Senate Bill 1. The Association will partner with local government, the environmental community, and other interested transportation stakeholders, among others, and form coalitions advocating for protection of transit funding. In 2024, previously committed SB 125 funding was at risk of being cut and minimal new transit funding was available because of the state's significant budget deficit. Anticipating another, albeit lesser, budget deficit in FY 2025-26, the Association will advocate for maintenance of these and all other public transit funds as well as the release of this funding on the timelines prescribed in statute. The Association will also closely monitor the implementation of SB 125 and AB 173 (Committee on Budget) [Chapter 56, Statutes of 2024], the transportation trailer bill included in the Budget Act of 2024, engage in the guideline development process this bill initiates, and seek legislative fixes should any issues arise.

C. Preserve the relative share of Cap & Trade revenues for public transit established in 2014 legislation and explore flexibility regarding the use of existing Cap & Trade revenues.

There is an expectation that, in the coming Legislative Session, the Governor and the Legislature will set out to extend the Cap and Trade program beyond 2030. The Association will work to protect the existing long-term Cap & Trade revenue allocated to transit in SB 862 (Committee on Budget and Fiscal Review) [Chapter 36, Statutes of 2014] through the Low-Carbon Transit Operations Program (5 percent) and the Transit and Intercity Rail Capital Program (10 percent) and support continued appropriations of Cap & Trade funds to the Low Carbon Transportation program to be used for transit and the Zero-Emission Transit Capital Program, consistent with SB 125. Should changes be made to the overall expenditure plan for continuously appropriated Cap & Trade revenues, the Association will work to ensure an equal, if not greater, amount of revenue is dedicated to transit. The Association will work with the Executive Committee Chair to establish a subcommittee of the State Legislative Committee to develop and enact a strategy to uphold and protect the state's continued investment in public transit.

D. Monitor implementation of the Governor's executive orders to address climate change through transportation investments.

Executive Order N-19-19 directs the California State Transportation Agency (CalSTA) to invest its annual portfolio of \$5 billion toward construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector. CalSTA, in consultation with the Department of Finance, is also directed to align transportation spending, programming, and mitigation with the state's climate goals.

Executive Order N-79-20 states that it shall be the goal of California that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. The order further directs Caltrans and the California Transportation Commission, in consultation with the Department of Finance and other State agencies to "identify near term actions and investment strategies to improve clean transportation, sustainable freight and transit options...including building towards an integrated, statewide rail, and transit network." The Executive Orders led CalSTA to develop Climate Action Plan for Transportation Infrastructure (CAPTI) in 2021 with input from a variety of stakeholders. The Plan details how the state proposes to use discretionary transportation funds to "combat and adapt to climate change while supporting public health, safety and equity."

CalSTA will release an updated CAPTI plan in 2025 and has been hosting workshops throughout 2024. The Association will monitor and engage in the implementation of CAPTI, including the update to the plan, to ensure it is implemented in a manner that maximizes benefits to transit agencies, while working to ensure state and federal funds are made available to achieve the goals outlined in the plan.

E. Support efforts to implement the Infrastructure Investment and Jobs Act in California and, if necessary, assist the Federal Legislative Committee in securing a surface transportation reauthorization bill with the best outcomes for transit.

RESPONSIBILITY: Secure new sources of funding for transit operations and capital projects and enhance public awareness of the essential nature of public transit and build support for increased transit funding.

A. Advocate for additional state funding to address transit and rail agencies' operating needs and return riders to transit systems.

The COVID-19 pandemic dramatically reduced state and local transit revenue sources and increased the cost of transit operations, threatening the viability of public transit in the short and long-term. At the same time, the pandemic also undermined transit ridership and emphasized the importance of transit agencies exploring new strategies and investments to regain and expand their place in California's transportation network. Despite success in securing and maintaining flexible funding in the FY 2024-25 State Budget to address operations funding needs, additional operations funding is still necessary to maintain and expand service. Acknowledging the state's budget outlook, the Association will continue to seek additional short-term operations funding, where able, through a range of revenue options established by the Association's

Transit Operations Funding Subcommittee and pursue, through the Transit Transformation Task Force, mechanisms for additional long-term operations funding.

B. Advocate for additional state funding and flexibility to support the transition to zero-emission transit vehicles across all modes.

The Association will continue to advocate to ensure funding is approved by the State Legislature for the Clean Truck, Bus, and Off-Road Equipment Program – which includes, but is not limited to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and Clean Off-Road Equipment Voucher Project (CORE) – and emerging opportunities to support zero-emission transit vehicle deployment and the California Energy Commission’s various clean transportation programs that support zero-emission transit vehicle infrastructure buildout. For HVIP and the CEC Clean Transportation Programs specifically, the Association will advocate for an increase in the amount of funding available to transit agencies overall, including through the appropriation of new funding to the transit set-asides, and for an increase in transit vehicle voucher amounts to address the increasing cost of transit vehicles. Additionally, the Association will continue to engage on HVIP and TIRCP guidelines to better align these programs and their requirements to reflect the needs and limitations of transit agencies and, thus, increase the share of funding available to transition to zero-emission buses.

C. Support new local government funding options to support transit and infrastructure near transit.

The Association supports new local funding tools enabling local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit. These tools could come in the form of changes to Infrastructure Financing District law, the creation of new tax-increment financing tools, CEQA incentives for development closer to transit stations, lower voter-thresholds for special taxes or fees, sub-regional initiatives for local sales tax measures, authority for transit agencies to develop projects on their own property, and the inclusion of transit-oriented development projects in new housing programs.

D. Seek resources to assist transit agencies in managing homelessness.

The Association will monitor implementation of AB 1377 (Friedman) [Chapter 728, Statutes of 2023]. Through the Transit Operator and Rider Safety Subcommittee, the Association will continue to work to identify funding models and sources, which can be used by transit agencies to combat homelessness on their systems and will work the Legislature and the Administration to such funding.

E. Advocate for resources to help transit agencies recruit, retain, and train employees.

The state and federal government have made landmark investments in transit in recent years, however, labor shortages in transit operations and maintenance continue to undercut the benefits of these investments. There has been a dire shortage of transit bus drivers and bus maintenance positions for years, exacerbated by the fiscal cliffs that many transit agencies are facing.

To address this issue, the Association will advocate for programs and resources to fund transit workforce development or establish new training programs, through pilots or other means, in community colleges to ensure a strong pool of skilled transit workers for the future.

RESPONSIBILITY: Ensure passage of transit legislation and regulations that support transit and defeat of those legislative and regulatory measures which impede transit’s ability to meet the public’s mobility needs, and ensure the passage of legislation and regulations does not create new unfunded mandates on transit agencies.

A. Sponsor legislation to better protect transit agency operators, employees, and passengers.

The Association, in collaboration with its Transit Operator and Rider Safety Subcommittee, will work with transit labor representatives to secure legislation to enhance penalties for individuals convicted of crimes

that harm a transit agency's workforce and passengers, and provide transit agencies with additional tools to prohibit violent passengers from entering transit facilities. The Association will also seek additional input on what practices agencies can implement to better deter unruly passengers and protect workers & passengers.

B. Identify and pursue legislative and regulatory strategies to address the impacts of the Innovative Clean Transit regulation, Commercial Harbor Craft regulation, In-Use Locomotive regulation, Clean Truck Check, and Low Carbon Fuel Standard on public transit agencies.

The Association will continue to educate the Legislature, CARB, the Public Utilities Commission (PUC) and the California Energy Commission on the real-world costs and experiences of transit agencies deploying zero-emission transit vehicles. More specifically, the Association will continue to work with its Executive Committee and ZEV Task Force to identify and pursue legislative and regulatory strategies to relieve the financial and operational pressure of deploying ZEVs and complying with state regulations. This work will include continued engagement with CARB on the ICT regulation's Phase II Comprehensive Review; participation in the soon-to-be established ICT working group at CARB, intended to review the implementation status of the Innovative Clean Transit (ICT) regulation, evaluate barriers to transit agencies' short- and long-term compliance with the regulation, and identify state-level policy mechanisms to support California transit agencies in transitioning to zero-emission transit bus technologies, which may include seeking legislation to modify ICT regulation requirements; and, introducing legislation to extend AB 2622 (Mullin) [Chapter 353, Statutes of 2022] and, thus, maintain the sales and use tax exemption for zero-emission transit buses. This work will include continued engagement with CARB on the ICT regulation's Phase II Comprehensive Review; participation in the soon-to-be established ICT working group at CARB, intended to review the implementation status of the Innovative Clean Transit (ICT) regulation, evaluate barriers to transit agencies' short- and long-term compliance with the regulation, and identify state-level policy mechanisms to support California transit agencies in transitioning to zero-emission transit bus technologies, which may include seeking legislation or administrative changes to modify ICT regulation requirements; and, introducing legislation to extend AB 2622 (Mullin) [Chapter 353, Statutes of 2022] and, thus, maintain the sales and use tax exemption for zero-emission transit buses. This work may also include engagement with CARB on the Low Carbon Fuel Standard to ensure that transit agencies are able to maximize their credit generation from the program.

Additionally, the Association will continue to engage with CARB on the Clean Truck Check and its undue inclusion of the public transit industry in its requirements. The Association will continue to work with its Maintenance Committee to determine the effects of these new requirements and uplift concerns to CARB about the financial and maintenance burdens created for agencies as a result of the regulation.

C. Work with stakeholders on legislation that would further refine California's statutory CEQA exemptions for public transit & active transportation projects, and support efforts to streamline state & local permitting processes for transit projects.

In previous legislative sessions, the Association sponsored/co-sponsored and supported measures to streamline environmental & judicial reviews, as well as expand transit priority on local streets and roads and state highways, including SB 288 (Wiener) [Chapter 200, Statutes of 2020], SB 1283 (Beall, 2020), AB 476 (Mullin, 2021), AB 917 (Bloom) [Chapter 350, Statutes of 2021], SB 922 (Wiener) [Chapter 987, Statutes of 2022], SB 149 (Caballero) [Chapter 60, Statutes of 2023], and AB 2503 (Lee) [Chapter 718, Statutes of 2024]. The Association will continue to collaborate with stakeholders and legislative leaders to advocate for inclusion of transit projects within statutory CEQA exemptions, where applicable.

D. Monitor and pursue, as necessary, regulatory and legislative solutions to reduce the cost of electricity and hydrogen procured by transit agencies, and to ensure the reliability of these energy sources.

To address the high cost of electricity and hydrogen as a fuel, the Association will continue to work with its ZEV Task Force to monitor the implementation of new commercial electricity vehicle rates, approved by the PUC in 2018 and 2019, and will engage the PUC to ensure that approved rate designs reduce the cost of

operating battery-electric buses and are extended, as appropriate. Additionally, the Association will engage with the CEC to develop and implement strategies for reducing the prohibitive cost of hydrogen as a fuel. As public transit agencies statewide replace their vehicles, rolling stock, and vessels with all-electric fleets, the Association has heard concerns from transit agencies about the ability to maintain service during public safety driven power shutoffs and rolling blackouts. The Association will take appropriate legislative or regulatory action to advocate for public transit priority during situations of widespread power loss.

E. Work to improve driver testing, certification, and licensing processes.

The Association will continue to work with the California State Transportation Agency, Department of Motor Vehicles, and other relevant state entities on driver testing, certification, and licensing, and pursue legislation or new funding, if appropriate, to improve the time it takes to deploy new bus operators. These efforts will continue to be focused, in part, on addressing the challenges related to transit agencies meeting the 10-test rule for the Employer Testing Program.

F. Support alternative procurement methods and measures that improve the construction of transit capital projects and encourage development near transit.

The Association supports state policy objectives and legislation that enable transit agencies to use alternative procurement methods, such as design-build, construction manager/general contractor, and job order contracting, to help streamline construction & maintenance and reduce costs. The Association also supports efforts that allow local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit.

G. Continue to Monitor PEPRA 13(c)-Related Litigation, and engage where necessary.

The Association will continue to monitor developments regarding Public Employees' Pension Reform Act of 2013-related objections to the certification of federal transit grants for California as well as the effects of the final judgement issued by the Appellate Court remanding the case to the District Court.

Additionally, the Association will engage the Newsom Administration and California State Legislature to urge their engagement with the next Presidential Administration to highlight the devastating impacts of the United States Department of Labor's policy on California transit agencies and seek relief from its implementation.

H. Monitor and support efforts to advance racial and social justice, transportation equity, and workforce equity through state transportation policy.

The Association will implement the recommendations of the *Actions for a More Equitable, Inclusive, and Diverse Association* report by reviewing and engaging on state transportation policy intended to advance racial and social justice and transportation and workforce equity. Such policy may relate to issues, including but not limited to, transit access and affordability, policing, workforce development and training, and zero-emission technologies.